

SPEIRS GROUP LIMITED
REPORT TO SHAREHOLDERS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

Contents

	Page
Directors' Commentary	2
Consolidated Statement of Financial Position	5
Consolidated Statement of Comprehensive Income.....	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements.....	10

Directors' Commentary

Overview

The first six months of the 2019/20 financial year produced an overall group loss of \$625,000 compared to a profit of \$149,000 for the previous corresponding period, a deterioration of \$774,000. . The major contribution to this loss was a loss from Speirs Foods (2018) LP compared to a profit in the previous period, and a consequential write down in the deferred tax asset of \$133,000 based on Speirs Foods achieving a break-even result for the current financial year. The loss attributable to Speirs Group shareholders, after allowing for the loss attributable to the non-controlling interest in Speirs Foods (2018) LP was \$511,000, compared to a profit of \$49,000 in the previous period, a deterioration of \$560,000.

Financial Performance

The contributions to the overall loss after tax of \$625,000 can be summarised as:

	<i>Six Months 31 December 2020 \$000</i>	<i>Six Months 31 December 2019 \$000</i>
Speirs Foods (2018) LP trading profit/(loss) before interest	(199)	418
Corporate Income	-	116
Net corporate governance costs	(128)	(159)
Net financing costs	(122)	(173)
Depreciation expense of Speirs Group Limited in relation to acting as landlord for Speirs Foods (2018) LP	(43)	(53)
Movement in Deferred Income Tax Asset	(133)	-
Total Profit/(Loss)	(625)	149
(Profit)/Loss attributable to non-controlling Interest	114	(100)
Overall profit/(loss) attributable to ordinary shareholders of Speirs Group Limited	(511)	49

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

The Speirs Foods trading loss attributed to the group before interest for the six-month period was \$199,000 compared to a profit of \$418,000 in the corresponding period in the previous year. The loss was caused by lower than budgeted sales, changes in the expected mix of product sales and higher than expected costs, all primarily driven from effects coming from the downstream effects of Covid 19 lockdowns and supply chain issues.

Revenue was \$8.811 million compared to \$9.034 million in the previous period, a decrease of 2.5%. Prior to the impacts of Covid-19 and the subsequent lockdowns Speirs Foods had been anticipating a material increase in revenue from its existing and additional product lines. While sales levels recovered after the national lockdown, they are not yet back to pre-lockdown levels. We have also noticed an accelerated trend of consumers switching to pre-pack products from bulk salads sold from "under the glass" in the supermarket delicatessens.

As a result, Speirs Foods has accelerated its product development to increase the range of pre-pack salads and has recently committed to capital investment to improve the efficiency of pre-pack production. This capital investment is being funded from a loan obtained through BNZ on very favourable terms as part of the government Covid recovery investment scheme for small and medium businesses.

The Speirs Foods business is also under cost pressure as a number of suppliers have recently notified significant price increases, some due to increased operating and supply chain costs arising out of Covid requirements.

The current year will continue to be a challenging one for Speirs Foods as it responds to both the demand side and supply side impacts from Covid-19. The Board and management of Speirs Foods are urgently taking action to mitigate these challenges.

Equipment Leasing and Finance Holdings Limited (EL&F)

Speirs Group Limited) holds 1.98% 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 strong post-lockdown recovery in the New Zealand economy since 30 June 2020 has been reflected in the performance of EL & F which continues to trade satisfactorily.

No adjustment has been made to the Group’s carrying value of the investment for the six months ended 31 December 2020.

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.

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.

Financing

The principal borrowing of the Group is \$2.5m of redeemable preference shares that mature in September 2021.

In September 2021 the Redeemable Preference Shares (“2021 RPS”) amounting to \$2,500,000 (held by 23 holders) mature and are due for repayment. Current cash flow forecasting (including the utilisation of existing bank deposits) indicates that the Group will likely need to refinance between a minimum of \$2,000,000 of these 2021 RPS when they mature in September 2021, but may raise up to \$2.2 million to provide a funding buffer for the Group. The intention is to make a new offer of Redeemable Preference Shares on similar terms and conditions to the maturing 2021 RPS in 2021 to existing 2021 RPS holders and other eligible investors.

Based on initial indications from existing Redeemable Preference Shareholders a judgment has been made that the maturing Redeemable Preference Shares will be successfully refinanced to the extent required in September 2021.

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

26 January 2021

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 2020 are unaudited;
- The consolidated financial statements for the year ended, and as at, 30 June 2020 have been audited; and
- The six month period ended, and as at, 31 December 2019 are unaudited.

Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	31 December 2020 \$'000	30 June 2020 \$'000	31 December 2019 \$'000
Assets				
Current Assets				
Cash and Cash Equivalents	9	627	341	191
Prepayments		107	18	125
Loans, Advances and Investments	12	850	975	675
Assets Held for Resale		-	-	50
Trade and Other Receivables	10	2,463	1,548	2,346
Inventories	11	1,205	596	1,185
Total Current Assets		5,252	3,478	4,572
Non-Current Assets				
Loans, Advances and Investments	12	2,423	2,423	2,897
Deferred Income Tax Asset		276	409	409
Property, Plant & Equipment		2,578	2,149	2,232
Intangible Assets		83	97	111
Total Non-Current Assets		5,360	5,078	5,649
Total Assets		10,612	8,556	10,221
Liabilities				
Current Liabilities				
Borrowings	14	3,323	-	628
Leases	22	75	84	82
Trade and Other Payables	13	2,756	1,658	2,565
Total Current Liabilities		6,154	1,742	3,275
Non-Current Liabilities				
Leases	22	92	125	168
Borrowings	14	833	2,500	2,500
Total Non-Current Liabilities		925	2,625	2,668
Total Liabilities		7,079	4,367	5,943
Equity				
Capital	15	12,925	12,925	12,925
Accumulated Deficits		(9,818)	(9,276)	(9,167)
Equity Attributable to Owners of the Parent		3,107	3,649	3,758
Non-Controlling Interest		426	540	520
Total Equity		3,533	4,189	4,278
Total Equity and Liabilities		10,612	8,556	10,221

Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2020

		6 months 31 December 2020 \$'000	12 months 30 June 2020 \$'000	6 months 31 December 2019 \$'000
Revenue	21	8,811	17,058	9,034
<i>Purchases of Raw Materials</i>		(3,808)	(6,928)	(3,529)
<i>Employee Benefits Expense</i>		(2,640)	(5,076)	(2,497)
<i>Freight, Packaging & Other</i>		(2,027)	(3,467)	(1,890)
Net Trading Income		336	1,587	1,118
Other Income	5	34	630	-
Total Net Income Earned from Operating Activities		370	2,217	1,118
Loss on Fair Value Through Profit or Loss of a Financial Asset	12	-	(249)	-
Other Expenses	6	(572)	(1,041)	(619)
Earnings/(Loss) Before Interest, Depreciation and Amortisation		(202)	927	499
<i>Interest Income</i>		19	59	34
<i>Interest Expense</i>		(141)	(385)	(207)
Net Interest Expense	7	(122)	(326)	(173)
Depreciation and Amortisation		(168)	(362)	(177)
Profit/(Loss) Before Income Tax		(492)	239	149
Income Tax (Expense)/ Benefit		(133)	-	-
Profit/(Loss) After Income Tax		(625)	239	149
Other Comprehensive Income		-	-	-
Total Comprehensive Income/(Loss)		(625)	239	149
Total Comprehensive Income/(Loss) for the Period				
Attributable to:				
Owners of Speirs Group Limited		(511)	(30)	49
Non-Controlling Interest		(114)	269	100
		(625)	239	149
Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company:				
Basic Profit/(Loss) per Share (c/share)	8	(4.78)	(0.80)	0.15
Diluted Profit/(Loss) per Share (c/share)	8	(4.78)	(0.80)	0.15

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2020

	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 2020	12,925	(9,276)	3,649	540	4,189
Comprehensive Income					
Profit/(Loss) for the Period	-	(511)	(511)	(114)	(625)
Total Comprehensive Income/(Loss)	-	(511)	(511)	(114)	(625)
Transactions with Owners in Their Capacity as Owners					
Dividends on Perpetual Preference Shares	-	(31)	(31)	-	(31)
Total Transactions with Owners	-	(31)	(31)	-	(31)
Balance at 31 December 2020	12,925	(9,818)	3,107	426	3,533

For the year ended 30 June 2020

	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 2019	12,925	(9,185)	3,740	420	4,160
Comprehensive Income					
Profit/(Loss) for the Year	-	(30)	(30)	269	239
Total Comprehensive Income/(Loss)	-	(30)	(30)	269	239
Transactions with Owners in Their Capacity as Owners					
Distribution - Non- Controlling Interests	-	-	-	(149)	(149)
Dividends on Perpetual Preference Shares	-	(61)	(61)	-	(61)
Total Transactions with Owners	-	(61)	(61)	(149)	(210)
Balance at 30 June 2020	12,925	(9,276)	3,649	540	4,189

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2019

	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 2019	12,925	(9,185)	3,740	420	4,160
Comprehensive Income					
Profit for the Period	-	49	49	100	149
Total Comprehensive Income	-	49	49	100	149
Transactions with Owners in Their Capacity as Owners					
Dividends on Perpetual Preference Shares	-	(31)	(31)	-	(31)
Total Transactions with Owners	-	(31)	(31)	-	(31)
Balance at 31 December 2019	12,925	(9,167)	3,758	520	4,278

Consolidated Statement of Cash Flows

For the six months ended 31 December 2020

	6 months 31 December 2020 \$'000	12 months 30 June 2020 \$'000	6 months 31 December 2019 \$'000
Cash Flows from Operating Activities			
Interest Received	19	59	34
Dividends Received	-	16	-
Cash Receipts from Customers	7,799	17,205	8,282
Other Income	31	615	-
Dividends Paid on Redeemable Preference Shares	(112)	(225)	(112)
Interest Expense	(29)	(160)	(95)
Cash Paid to Suppliers and Employees	(8,645)	(16,409)	(8,048)
Net Cash from Operating Activities	(937)	1,101	61
	16		
Cash Flows from Investing Activities			
Distributions Received – Associate Entities	-	-	8
Proceeds from Sale of Assets Held for Resale	-	62	-
Disposal of Property, Plant & Equipment	52	-	-
Repayment of Loans	-	406	197
Repayment of Short Term Bank Deposits - Net	125	-	-
Investment in Short Term Bank Deposits - Net	-	(425)	(125)
Acquisition of Property, Plant & Equipment	(632)	(246)	(158)
Net Cash Flows from Investing Activities	(455)	(203)	(78)
Cash Flows from Financing Activities			
Proceeds from Borrowings - Net	1,753	-	-
Repayments of Borrowings - Net	-	(704)	(12)
Proceeds from Leases	-	32	-
Distributions Paid to Non-Controlling Interests	(44)	(75)	-
Dividends Paid on Perpetual Preference Shares	(31)	(61)	(31)
Net Cash Flows from Financing Activities	1,678	(808)	(43)
Net Increase / (Decrease) in Cash and Cash Equivalents	286	90	(60)
Cash and Cash Equivalents at Beginning of Period	341	251	251
Cash and Cash Equivalents at Period End	627	341	191
	9		

Notes to the Financial Statements

1. General Information

Speirs Group Limited operates as a holding company. At 31 December 2020 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 the Unlisted Securities Exchange trading platform.

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 2020. Please refer to the annual report for the year ended 30 June 2020 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 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 12.

Refinance of Maturing Redeemable Preference Shares.

On 30 September 2021 the Redeemable Preference Shares ("2021 RPS") amounting to \$2,500,000 (held by 23 holders) mature and are due for repayment. Current cash flow forecasting (including the utilisation of existing bank deposits) indicates that the Group will likely need to refinance between \$1,700,000 and \$2,000,000 of these 2021 RPS when they mature in September 2021. The current intention is make a new offer of Redeemable Preference Shares on similar terms and conditions to the maturing 2021 RPS in 2021 to existing 2021 RPS holders and other eligible investors.

In February 2020 all current 2021 RPS holders were written to and were asked (on a non-binding indicative basis) what their current intentions were with regard to their holding of 2021 RPS should a new similar offer be made in 2021.

The responses can be summarised as follows:

- 20 out of the 23 investors have replied totaling \$2,423,000 of the \$2,500,000 of the existing 2021 RPS (97% by value).
- Of the \$2,423,000:
 - \$2,048,000 will likely be reinvested if a similar instrument is offered;
 - \$225,000 will likely be repaid;
 - \$150,000 will seek a reduced investment but as the quantum of the likely reduction was not specified, these have been regarded as being likely to seek full repayment.
- Of those investors who have indicated a likelihood to reinvest, there is an indication that these holders may likely reinvest an additional \$140,000 above their existing investment.
- Therefore possible interest in any new issue of Redeemable Preference Shares from existing 2021 RPS holders stands at \$2,188,000 (\$2,048,000 reinvestment and the \$140,000 possible additional investment).

Accordingly, based on current cash flow forecasts, the Group will be required to refinance an estimated

\$2,000,000 from the issuance of a new RPS offer compared to current holders reinvestment indications of up to \$2,188,000. As a result a new offer in 2021 is likely to be an oversubscription of \$188,000 (\$2,188,000 likely reinvestment less the \$2,000,000 estimated cash required at the time of refinancing) if a similar RPS instrument was offered to replace the maturing 2021 RPS. This represents a possible oversubscription of 9.40% (\$188,000 divided by \$2,000,000). As the responses from the existing 2021 RPS holders were received on a non-binding and indicative basis, the actual outcome of any new fundraising may differ to that reported above.

The Group also has potential access to additional funds from:

- mortgaging land and buildings owned by the Group. The land and buildings owned by Speirs Group Limited and leased to Speirs Foods (2018) LP are unencumbered and mortgage finance could be sought. In November 2019 an independent valuation placed a market value on the land and buildings of \$1,380,000 on an “as occupied” basis.
- The partial or full sale of EL&F shares currently held by the Group and valued at \$2,423,000 at 31 December 2020 (See Note 12 below).

The refinancing of the maturing 2021 RPS will commence shortly after the Group’s half annual reporting date of 31 December 2020 to allow sufficient time to complete the refinancing by the issue of new Redeemable Preference Shares and/or exploring the other financing options noted above.

Based on the above information a judgment has been made that the maturing Redeemable Preference Shares will be successfully refinanced in September 2021.

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 predominantly within New Zealand.

Group 6 months 31 December 2020

	<i>Speirs Foods</i> \$'000	<i>Corporate</i> \$'000	<i>Consolidation</i> <i>Adjustments</i> \$'000	<i>Consolidated</i> \$'000
External Revenue				
Interest Income	-	19	-	19
Revenue	8,811	-	-	8,811
Other Income	34	-	-	34
Intersegment Revenue/(Eliminations)	-	116	(116)	-
Total Segment Revenue/(Eliminations)	8,845	135	(116)	8,864
Interest Expense	(52)	(112)	23	(141)
Overall Segment Result	(487)	(154)	149	(492)
Income Tax Expense				(133)
Loss for the 6 Month Period				(625)
Segment Assets	7,410	6,882	(3,680)	10,612
Segment Liabilities	5,150	2,534	(605)	7,079
Depreciation and Amortisation	321	48	(201)	168
Capital Expenditure	632	-	-	632

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

Group 12 months June 2020

	<i>Speirs Foods</i> \$'000	<i>Corporate</i> \$'000	<i>Consolidation</i> <i>Adjustments</i> \$'000	<i>Consolidated</i> \$'000
External Revenue				
Interest Income	4	59	(4)	59
Revenue	17,058	-	-	17,058
Other Income	630	519	(519)	630
Intersegment Revenue / (Eliminations)	-	(523)	523	-
Total Segment Revenue	17,692	55	-	17,747
Interest Expense	(217)	(225)	57	(385)
Overall Segment Result	527	(271)	(17)	239
Income Tax Benefit/(Expense)				-
Profit for the Year				239
Segment Assets	5,312	7,392	(4,148)	8,556
Segment Liabilities	2,566	2,726	(925)	4,367
Depreciation and Amortisation	654	102	(394)	362
Capital Expenditure	343	9	-	352

The Group receives Trading Income from two customers who account for 97% of total Segment Revenue.

Group 6 months 31 December 2019

	<i>Speirs Foods</i> \$'000	<i>Corporate</i> \$'000	<i>Consolidation</i> <i>Adjustments</i> \$'000	<i>Consolidated</i> \$'000
External Revenue				
Interest Income	4	34	(4)	34
Revenue	9,034	-	-	9,034
Other Income	-	-	-	-
Intersegment Revenue/(Eliminations)	-	116	(116)	-
Total Segment Revenue/(Eliminations)	9,038	150	(120)	9,068
Interest Expense	(127)	(112)	32	(207)
Overall Segment Result	291	(154)	12	149
Income Tax Expense				-
Loss for the 6 Month Period				149
Segment Assets	6,893	7,101	(3,773)	10,221
Segment Liabilities	4,070	2,534	(661)	5,943
Depreciation and Amortisation	124	53	-	177
Capital Expenditure	149	9	-	158

The Group receives Trading Income from two customers who account for 98% of total Segment Revenue.

5. Other Income

	<i>6 months</i> <i>31 December</i> <i>2020</i> \$'000	<i>12 months</i> <i>30 June</i> <i>2020</i> \$'000	<i>6 months</i> <i>31 December</i> <i>2019</i> \$'000
Bad Debt Recoveries	-	3	-
Partial Reversal of Impairment of Assets Held for Resale Upon Sale of the Underlying Asset	-	12	-
Gain on Disposal of Property, Plant and Equipment	3	-	-
Government Grants	-	590	-
Other Income	31	25	-
Total Other Income	34	630	-

6. Other Expenses

	<i>6 months</i> <i>31 December</i> <i>2020</i> \$'000	<i>12 months</i> <i>30 June</i> <i>2020</i> \$'000	<i>6 months</i> <i>31 December</i> <i>2019</i> \$'000
Fees Paid to Auditors			
Statutory Audit of Financial Statements	24	56	28
Other Services	-	-	-
Directors Fees - Parent	37	73	37
Directors Fees - Subsidiaries	12	25	12
Insurance	93	180	91
Write off of Obsolete Inventory	-	76	-
Other Expenses	406	631	451
Total Other Expenses	572	1,041	619

7. Net Interest Expense

	<i>6 months</i> <i>31 December</i> <i>2020</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2020</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2019</i> <i>\$'000</i>
Interest Income			
Cash and Cash Equivalents	8	15	7
Loans and Advances	11	44	27
Total Interest Income	19	59	34
Interest Expense			
Leases	9	22	11
Borrowings			
2021 Redeemable Preference Shares - Dividend	112	225	112
Term Loan Facility	6	-	-
Debtor Financing	14	132	80
On all other borrowings	-	6	4
Total Interest Expense	(141)	(385)	(207)
Net Interest Expense	(122)	(326)	(173)

8. Earnings/ (Loss) per Share

	<i>6 months</i> <i>31 December</i> <i>2020</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2020</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2019</i> <i>\$'000</i>
Basic and Diluted Profit/(Loss) per Share			
Profit/(Loss) Attributable to Ordinary Shareholders			
Profit/(Loss) for the Period	(511)	(30)	49
Dividends Paid on Perpetual Preference Shares	(31)	(61)	(31)
Profit/(Loss) for the Period Attributable to Ordinary Shareholders	(542)	(91)	18
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	11,335	11,335	11,335
Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company:			
Basic Profit/(Loss) per Share (c/share)	(4.78)	(0.80)	0.15
Diluted Profit/(Loss) per Share (c/share)	(4.78)	(0.80)	0.15

9. Cash and Cash Equivalents

	<i>31 December</i> <i>2020</i> <i>\$'000</i>	<i>30 June</i> <i>2020</i> <i>\$'000</i>	<i>31 December</i> <i>2019</i> <i>\$'000</i>
Cash at Bank	97	311	102
Short Term Deposits – Call	55	30	19
Short Term Deposits – Up to 90 days	475	-	70
Total Cash & Cash Equivalents	627	341	191

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

10. Trade and Other Receivables

31 December 2020

	<i>Gross Amount \$'000</i>	<i>Allowance for Expected Credit Losses \$'000</i>	<i>Carrying Amount \$'000</i>
Trade and Other Receivables			
Trade Receivables	2,463	-	2,463
Total Trade and Other Receivables	2,463	-	2,463

30 June 2019

	<i>Gross Amount \$'000</i>	<i>Allowance for Expected Credit Losses \$'000</i>	<i>Carrying Amount \$'000</i>
Trade and Other Receivables			
Other Receivables – Debtor Financing (See Note 14)	97	-	97
Trade Receivables	1,451	-	1,451
Total Trade and Other Receivables	1,548	-	1,548

31 December 2019

	<i>Gross Amount \$'000</i>	<i>Allowance for Expected Credit Losses \$'000</i>	<i>Carrying Amount \$'000</i>
Trade and Other Receivables			
Trade Receivables	2,346	-	2,346
Total Trade and Other Receivables	2,346	-	2,346

11. Inventories

	<i>31 December 2020 \$'000</i>	<i>30 June 2020 \$'000</i>	<i>31 December 2019 \$'000</i>
Inventories			
Raw Materials and Consumables	1,038	528	1,042
Finished Goods	167	68	143
Total	1,205	596	1,185

No inventory is subject to retention of title clauses.

12. Loans, Advances and Investments

	31 December 2020 \$'000	30 June 2020 \$'000	31 December 2019 \$'000
Debt Owing – Rosa Foods Limited	225	225	434
Dividend Owing – Rosa Foods Limited	-	-	16
Investment in Equipment, Leasing & Finance Holdings Limited Ordinary Shares	2,111	2,111	2,328
Investment in Equipment, Leasing & Finance Holdings Limited Preference Shares	312	312	344
Short Term Deposits - BNZ	625	750	450
	3,273	3,398	3,572
Provision for Impairment	-	-	-
Carrying Value	3,273	3,398	3,572
Current	850	975	675
Non Current	2,423	2,423	2,897
Total	3,273	3,398	3,572

Debt Owing and Dividend Owing – Rosa Foods Limited

As a result of a transaction during the year ended 30 June 2018 Speirs Group Limited received interest bearing debt and unpaid ordinary dividends. At 31 December 2020 the interest bearing debt totalled \$225,000 (30 June 2020: \$225,000; 31 December 2019: \$434,000) and the unpaid ordinary dividends totalled \$ Nil (30 June 2020: \$Nil; 31 December 2019: \$16,000). This debt and unpaid dividends carry a fixed interest rate of 10.00% per annum with the interest payable in arrears on the last business day of each quarter. A scheduled principal repayment of \$225,000 due on 31 March 2020 was received in two instalments – 31 March 2020 \$150,000 and 16 April 2020 \$75,000. At 31 December 2020 the interest bearing debt has a final scheduled principal repayment of \$225,000 (payable in March 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.

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 or Loss Financial Asset". Subsequent minor share issues by EL&F have seen the investment reduce to 1.98% 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 years ended 30 June 2018 and 2019 adjusted for the assessment of subsequent changes in value as determined from other sources of available information available to the Group. The directors consider this valuation approach to represent the fair value of Speirs' 1.98% shareholding in EL&F. Speirs Investments LP holds 1,551,872 (30 June 2020: 1,551,872; 31 December 2019: 1,551,872) ordinary shares in EL&F. The total number of shares on issue in EL&F are 78,264,666 (30 June 2020: 78,264,666; 31 December 2019: 78,264,666). At 31 December 2020 and 30 June 2020 the ordinary shares are valued at \$1.36 per share (31 December 2019: \$1.50 per share). The decline in the value of the EL&F ordinary shares during the year ended 30 June 2020 principally arose from the adverse impact of the Covid 19 pandemic on the operations and financial performance of EL&F.

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. If there is no clawback required the preference shares will be issued to the preference shareholders as ordinary shares in EL&F on a one for one basis. At 30 June 2018 as these shares were at risk for such a period of time such that the recoverability of the carrying amount could not be practicably assessed, the directors decided to fully impair these preference shares as at 30 June 2018.

During the year ended 30 June 2019 the directors noted that the cumulative cash collections since 30 September 2016 had allowed Advaro to assess that the current provision for doubtful debts was sufficient to meet future likely write offs and

that no clawback would be necessary. As there was now only minimal risk of future clawback the directors assessed that the fair value of the preference shares at 31 December 2020, 30 June 2020 and 31 December 2019 should be the same value as the existing EL&F ordinary shares at 31 December 2020 30 June 2020 and 31 December 2019, - 31 December 2020 and 30 June 2020 \$1.36 per share (31 December 2019: \$1.50 per share). The decline in the value of the EL&F preference and ordinary shares arose from the adverse impact of the Covid 19 pandemic on the operations and financial performance of EL&F.

Speirs Investments LP holds 229,358 (30 June 2020: 229,358; 31 December 2019: 229,358) preference shares in EL&F. The total number of shares on issue in EL&F are 78,264,666 (30 June 2020: 78,264,666; 31 December 2019: 78,264,666).

Reconciliation – Six Months Ended 31 December 2020

	<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 2020	2,111	312	2,423
Investment in Equipment, Leasing & Finance Holdings Limited at 31 December 2020	2,111	312	2,423

Reconciliation – Year Ended 30 June 2020

	<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 30 June 2019	2,328	344	2,672
Fair Value Gains/(Losses) on Through Profit or Loss Financial Asset – Year Ended 30 June 2020	(217)	(32)	(249)
Investment in Equipment, Leasing & Finance Holdings Limited at 30 June 2020	2,111	312	2,423

Reconciliation – Six Months Ended 31 December 2019

	<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 2019	2,328	344	2,672
Investment in Equipment, Leasing & Finance Holdings Limited at 31 December 2019	2,328	344	2,672

13. Trade and Other Payables

	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2020</i>	<i>2020</i>	<i>2019</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trade and Other Payables			
Trade Payables	1,847	968	1,929
Distribution Owing to Kane Investments Limited	30	74	-
Non-Trade Payables and Accrued Expenses	879	616	636
	2,756	1,658	2,565

14. Borrowings

	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2020</i>	<i>2020</i>	<i>2019</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Borrowings			
Debtor Financing	689	-	628
2021 Redeemable Preference Shares	2,500	2,500	2,500
Term Loan Facility	967	-	-
	4,156	2,500	3,128
Current	3,323	-	628
Non-Current	833	2,500	2,500
	4,156	2,500	3,128

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

	31 December 2020	30 June 2020	31 December 2019
	%	%	%
Borrowings			
Debtor Financing	4.98%	9.25%	9.25%
2021 Redeemable Preference Shares	9.00%	9.00%	9.00%
Term Loan Facility	2.30%	N/A	N/A

Debtor Financing – Until July 2020

For the period until ended 30 June 2020 the debtor financing was 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 (2018) LP 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.

The interest rate on this facility was reset at the discretion of the lender from time to time.

At 30 June 2020 the financier owed Speirs Foods (2018) LP \$97,296 being the excess of the receivables collected by the financier and the amount drawn down on the facility by Speirs Foods (2018) LP (See Note 10).

Debtor Financing – From July 2020

In April 2020 the Limited Partnership gave notice to the financier of the facility described above that this facility was to be terminated in July 2020 as the Limited Partnership had agreed to enter into a new debtor financing arrangement with a Registered Bank from July 2020.

The new debtor financing facility commenced in July 2020:

- 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
- Has a covenant requiring that EBITDA (earnings before interest, tax expense, depreciation and amortisation of intangibles) is to be maintained at a minimum of 3.00 times of gross interest expense. This will be tested as at the last day of each financial year on a rolling 12-month basis. At 31 December 2020 this covenant was respected.

2021 Redeemable Preference Shares

As at 31 December 2020 there are 2,500,000 (30 June 2020: 2,500,000; 31 December 2019: 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.

Term Loan Facility

On 22 September 2020 Speirs Foods (2018) LP resolved to enter into 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	<ul style="list-style-type: none"> EBITDA (earnings before interest, tax expense, depreciation and amortisation of intangibles) is to be maintained at a minimum of 3 times gross interest expense. This will be tested as at the last day of each financial quarter on a rolling 12-month basis, with first test date at 30/12/2020. Equity (total assets less loans to related parties less total liabilities plus loans from Limited Partners) is to be maintained at a minimum of \$1,500,000 at all times. This will be tested as at the last day of each financial quarter, with first test date at 30/12/2020. <p>At 31 December 2020 both covenants were respected.</p>

15. Capital

	<i>31 December</i> <i>2020</i> <i>\$'000</i>	<i>30 June</i> <i>2020</i> <i>\$'000</i>	<i>31 December</i> <i>2019</i> <i>\$'000</i>
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:

	<i>31 December</i> <i>2020</i> <i>\$'000</i>	<i>30 June</i> <i>2020</i> <i>\$'000</i>	<i>31 December</i> <i>2019</i> <i>\$'000</i>
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		
	<i>31 December</i> <i>2020</i> <i>'000</i>	<i>30 June</i> <i>2020</i> <i>'000</i>	<i>31 December</i> <i>2019</i> <i>'000</i>
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 2020: 11,334,576; 31 December 2019 11,334,576). 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.

Perpetual Preference Shares

	Perpetual Preference Shares		
	<i>31 December</i> <i>2020</i> <i>\$'000</i>	<i>30 June</i> <i>2020</i> <i>\$'000</i>	<i>31 December</i> <i>2019</i> <i>\$'000</i>
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" (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	30 June	31 December
	2020	2020	2019
	\$'000	\$'000	\$'000
0.0c per Ordinary Share (30 June 2020: 0.0c; 31 December 2019: 0.0c)	-	-	-
4.5c per Perpetual Preference Share (30 June 2020: 9.0c per share; 31 December 2019: 4.5c per share).	31	61	31

16. Reconciliation of Profit/(Loss) for the Period to Net Cash From Operating Activities

	6 months	12 months	6 months
	31 December	30 June	31 December
	2020	2020	2019
	\$'000	\$'000	\$'000
Reconciliation of Profit/(Loss) for the Period to Net Cash from Operating Activities			
Profit/(Loss) for the Period	(511)	(30)	49
Adjustments for Non-Cash Items:			
Depreciation on Property, Plant and Equipment	154	334	163
Amortisation of Intangible Assets	14	28	14
Lease Payments on Right of Use Assets	(42)	(98)	-
Bad Debts Written Off/(Recovered)	-	(3)	1
Profit/(Loss) Share Attributable to Non-Controlling Interest	(114)	269	100
Impairment/(Reversal of Impairment) of Assets Held for Resale	-	(12)	-
Movement in Deferred Income Tax Asset	133	-	-
Loss/(Gain) on Disposal of Property, Plant and Equipment	(3)	-	-
Impairment of Fair Value Through Profit or Loss Financial Asset	-	249	-
	(369)	737	327
Movement in Other Working Capital Items:			
Change in Inventories	(609)	86	(503)
Change in Dividend Owing – Rosa Foods Limited	-	16	-
Change in Trade and Other Receivables and Prepayments	(1,101)	147	(859)
Change in Trade and Other Payables	1,142	115	1,096
Net Cash From Operating Activities	(937)	1,101	61

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 2020 \$'000	12 Months 30 June 2020 \$'000	6 Months 31 December 2019 \$'000
Directors' Fees	49	98	49
Consulting Fees Paid to Key Management Personnel	157	331	163
	206	429	212

At 31 December 2020 the amount of unpaid consulting fees payable to key management personnel was \$23,000 (30 June 2020: \$23,000; 31 December 2019: \$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 2020 \$'000	PPS Dividends Paid Year Ended 30 June 2020 \$'000	PPS Dividends Six Months Ended 31 December 2019 \$'000	PPS Shares Held 31 December 2020 \$'000	PPS Shares Held 30 June 2020 \$'000	PPS Shares Held 31 December 2019 \$'000
Nelson Speirs - Director	18	35	18	389	389	389
David Speirs - Director	13	7	-	290	290	-
	31	42	18	679	679	389

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

	RPS Dividends Six Months Ended 31 December 2020 \$'000	RPS Dividends Paid Year Ended 30 June 2020 \$'000	RPS Dividends Six Months Ended 31 December 2019 \$'000	RPS Shares Held 31 December 2020 \$'000	RPS Shares Held 30 June 2020 \$'000	RPS Shares Held 31 December 2019 \$'000
Derek Walker - Director	1	3	1	30	30	30
Lee Simpson – Company Secretary	6	11	6	126	126	126
	7	14	7	156	156	156

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 until June 2020 when the company was deregistered from the Register of Companies);
- 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);
- Equipment Leasing and Finance Holdings Limited and its subsidiaries (a company in which Speirs Investments LP holds 2.27% of the ordinary shares on issue as well as Speirs Group Limited and Equipment Leasing and Finance Holdings having a common director); 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 2020 are summarised below:

- **Speirs Foods Limited**
 - Speirs Group Limited received dividends (both cash and in-specie) of \$Nil (30 June 2020: \$1,652,898; 31 December 2019: \$256,500) from Speirs Foods Limited.
- **Speirs Foods (2018) LP**
 - Speirs Group Limited received a distribution of \$Nil (30 June 2020: \$301,500; 31 December 2019: \$Nil) from Speirs Foods (2018) LP. In relation to the \$301,500 distribution, \$150,750 was paid prior to 30 June 2020 with the remaining \$150,750 being paid in equal instalments of \$15,075 from July 2020 to April 2021.
 - Speirs Foods Limited charged rent on land and buildings leased by Speirs Foods (2018) LP of \$Nil (30 June 2020: \$96,250; 31 December 2019: \$82,500).
 - Speirs Group Limited charged rent on land and buildings leased by Speirs Foods (2018) LP of \$82,500 (30 June 2020: \$55,000; 31 December 2019: \$Nil). In the year ended 30 June 2020 Speirs Group Limited forgave \$13,750 in rental due (one month's rent) as a result of the Covid 19 pandemic.
 - Speirs Group Limited charged Speirs Foods (2018) LP \$33,000 (30 June 2020: \$66,000; 31 December 2019: \$33,000) in respect of corporate services provided by Speirs Group Limited.
 - At 31 December 2020 Speirs Foods (2018) LP owed \$60,300 (30 June 2020: \$150,750; 31 December 2019: \$Nil) to Speirs Group Limited in relation to distributions owing.
- **Speirs Investments LP**
 - Speirs Group Limited provided an interest free loan to Speirs Investments LP in the amount of \$171,846. At 31 December 2020 the balance owed by Speirs Investments LP to Speirs Group Limited was \$171,846 (30 June 2020: \$171,846); 31 December 2019: \$171,846).
- **Equipment, Leasing & Finance Holdings Limited and its subsidiaries**
 - There were no related party transactions with these entities during the periods ended 31 December 2020, 30 June 2020 and 31 December 2019.
- **Kane Investments Limited**
 - Kane Investments Limited received a distribution of \$Nil (12 months 30 June 2020: \$148,500; 6 months 31 December 2019: \$Nil) from Speirs Foods (2018) LP. In relation to the \$148,500 distribution, \$74,250 was paid prior to 30 June 2020 with the remaining \$74,250 being paid in equal instalments of \$7,425 from July 2020 to April 2021.
 - At 31 December 2020 Speirs Foods (2018) LP owed \$29,700 (30 June 2020: \$74,250; 31 December 2019: \$Nil) to Kane Investments Limited in relation to distributions owing.

18. Capital Commitments and Contingencies

The Group was committed to the following at year end:

	Capital Expenditure	
	\$'000	Total \$'000
31 December 2020		
Less than One Year	-	-
Between One and Five Years	-	-
More than Five Years	-	-
	-	-
30 June 2020		
Less than One Year	-	-
Between One and Five Years	-	-
More than Five Years	-	-
	-	-

31 December 2019

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

Contingent Liabilities and Contingent Assets

The Group has no contingent liabilities or contingent assets (30 June 2020: Nil; 31 December 2019: 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 2020 \$	30 June 2020 \$	31 December 2019 \$
Net Tangible Assets Per Ordinary Share	0.20	0.25	0.26

21. Revenue

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

	31 December 2020	30 June 2020	31 December 2019
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 – 95% of Revenue	Supermarket Chains – 97% of Revenue	Supermarket Chains – 98% 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 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% 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 1% of all sales made. At balance date the obligations to provide a credit note for returned goods was immaterial.
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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. With the exception of 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 2020 \$'000	30 June 2020 \$'000	31 December 2019 \$'000
Lease Liabilities (current)	75	84	82
Lease Liabilities (non-current)	92	125	168
	167	209	250

Future minimum lease payments are as follows:

Minimum Lease Payments Due

	31 December 2020			
	Within 1 Year \$'000	1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
Lease Payments	87	100	-	187
Finance Charges	(12)	(8)	-	(20)
Net Present Values	75	92	-	167

	30 June 2020			
	Within 1 Year \$'000	1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
Lease Payments	100	138	-	238
Finance Charges	(16)	(13)	-	(29)
Net Present Values	84	125	-	209

	31 December 2019			
	Within 1 Year \$'000	1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
Lease Payments	102	188	-	290
Finance Charges	(20)	(20)	-	(40)
Net Present Values	82	168	-	250

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

31 December 2020	Carrying Amount \$'000	Depreciation Expense \$'000	Impairment \$'000
Computer Equipment	35	13	-
Vehicles	40	17	-
Other Plant and Equipment	83	14	-
Total Right-of-Use Assets	158	44	-

30 June 2020	Carrying Amount \$'000	Depreciation Expense \$'000	Impairment \$'000
Computer Equipment	48	25	-
Vehicles	56	31	-
Other Plant and Equipment	97	25	-
Total Right-of-Use Assets	201	81	-

31 December 2019	Carrying Amount \$'000	Depreciation Expense \$'000	Impairment \$'000
Computer Equipment	60	12	-
Vehicles	71	15	-
Other Plant and Equipment	109	12	-
Total Right-of-Use Assets	240	39	-

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 2020:

Right-of-Use Asset	Number of Right-of-Use Assets Leased	Range of Remaining Terms	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	2	7 to 25 months	16 months	0	0	0	0
Vehicles	4	4 to 23 months	13 months	0	0	0	0
Other Plant and Equipment	3	31 to 45 months	36 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 2020				
	Fair Value Through Profit or Loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total Carrying Value
	\$'000	\$'000	\$'000	\$'000
Trade and Other Receivables	-	2,463	-	2,463
Loans, Advances and Investments	2,423	850	-	3,273
Cash and Cash Equivalents	-	627	-	627
	2,423	3,940	-	6,363
Trade and Other Payables	-	-	2,663	2,663
Borrowings	-	-	4,156	4,156
	-	-	6,819	6,819
Group 30 June 2020				
	Fair Value Through Profit or Loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total Carrying Value
	\$'000	\$'000	\$'000	\$'000
Trade and Other Receivables	-	1,548	-	1,548
Loans, Advances and Investments	2,423	975	-	3,398
Cash and Cash Equivalents	-	341	-	341
	2,423	2,864	-	5,287
Trade and Other Payables	-	-	1,567	1,567
Borrowings	-	-	2,500	2,500
	-	-	4,067	4,067
Group 31 December 2019				
	Fair Value Through Profit or Loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total Carrying Value
	\$'000	\$'000	\$'000	\$'000
Trade and Other Receivables	-	2,346	-	2,346
Loans, Advances and Investments	2,672	900	-	3,572
Cash and Cash Equivalents	-	191	-	191
	2,672	3,437	-	6,109
Trade and Other Payables	-	-	2,348	2,348
Borrowings	-	-	3,128	3,128
	-	-	5,476	5,476

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.