

Half-Yearly Report

FOR THE SIX MONTHS ENDING 31 DECEMBER 2021



SPEIRS GROUP LIMITED
REPORT TO SHAREHOLDERS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2021

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DIRECTOR'S COMMENTARY

Overview

The first six months of the 2021/22 financial year produced an overall group loss attributable to shareholders of Speirs Group Limited of \$202,000 compared to a loss of \$511,000 for the previous corresponding period, an improvement of \$309,000. The main contribution to the improvement was an improved result from Speirs Foods.

Financial Performance

The contributions to the overall loss after tax of \$202,000 can be summarised as:

	<i>Six Months 31 December 2021 \$000</i>	<i>Six Months 31 December 2020 \$000</i>
Speirs Foods (2018) LP trading profit/(loss) before interest	92	(199)
Net corporate governance costs	(154)	(128)
Net financing costs	(119)	(122)
Depreciation expense of Speirs Group Limited in relation to acting as landlord for Speirs Foods (2018) LP	(35)	(43)
Movement in Deferred Income Tax Asset	-	(133)
Total Profit/(Loss)	(216)	(625)
(Profit)/Loss attributable to non-controlling Interest	14	114
Overall profit/(loss) attributable to ordinary shareholders of Speirs Group Limited	(202)	(511)

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 first 6 months of the 2022 financial year continued to be impacted by Covid 19. Despite lockdowns, a number of supermarkets being places of interest, and changing consumer trends revenue for the 6 months ended 31 December 2021 amounted to \$9 million compared to \$8.811 million for the prior period, an increase of \$189,000. While this increase is promising the business is still not meeting expectations.

Supply chain delays, labour shortages and increasing inflation are all increasing Speirs Foods' production costs. We experience delays in passing these cost increases onto the customer as there is always understandable resistance from our major customers. We were successful in negotiating increases that became effective in the six months ended 31 December 2021. Unfortunately global, domestic and salary inflation continues which will require the acceptance of further price increases.

The significant investment we made in new plant and factory layout in the first half of the 2021 financial year improved production efficiency resulting in lower per unit labour costs in a raising labour market for our pre-pack products.

Speirs Foods continues to invest significantly in the continuous development of innovative and fresh new products to support "The Whole Mix Brand" including Wholesome Bulk Salads in line with consumer trends.

During the period ended 31 December 2021 the business successfully completed a project to update information systems to provide better and more timely financial information to the management team.

Equipment Leasing and Finance Holdings Limited (EL&F)

Resulting from the 1 October 2021 conversion of all EL&F preference shares to ordinary shares, our wholly owned subsidiary Speirs Investments LP now holds 2.28% of the equity in the diversified finance, leasing, and heavy mobile equipment business Equipment, Leasing & Finance Holdings Limited

We understand that the satisfactory performance of EL&F last financial year has continued through this first half of the current financial year to 31 December 2021.

No adjustment has been made to the Group's carrying value of the investment for the six months ended 31 December 2021.

Financing

The principal borrowing of the parent company at the end of the 2021 financial year was \$2.5m of redeemable preference shares ("2021 RPS") that matured and were due for repayment in September 2021.

In April 2021 the Group made a new offer of up to \$2.2 million of 2025 Redeemable Preference Shares ("2025 RPS") to existing 2021 RPS holders and other eligible investors on similar terms and conditions to the maturing 2021 RPS. The dividend rate on the 2025 RPS is 7.5% compared to the 9.0% that was paid on the 2021 RPS.

This re-financing exercise was successfully completed with the net impact being to reduce the annual borrowing costs on the RPS by \$65,000.

Share Consolidation

At a Board meeting held on 21 November 2021, the directors of Speirs Group Limited decided to undertake a 1 for 10 share consolidation in relation to Speirs Group Limited's ordinary shares on Wednesday 24 November 2021.

On Wednesday 24 November 2021 shareholders received one consolidated ordinary share for every 10 ordinary shares that they previously held. The number of consolidated ordinary shares which shareholders received was based on their holdings of ordinary shares on 24 November 2021 and was rounded up to the nearest whole consolidated ordinary share.

There was no impact on shareholders' rights from the consolidation, for example, proportionate rights to dividends and voting rights will be unchanged. The share consolidation merely altered the number of ordinary shares on issue. At 30 June 2021 the group reported net tangible assets per share of 26 cents per ordinary share. The impact of the consolidation increases the net tangible assets per share by a factor of 10 to \$2.60 per ordinary share at 30 June 2021. At 31 December 2021 the net tangible assets per ordinary share was \$2.34.

Prior to the consolidation Speirs Group Limited had 11,334,576 ordinary shares on issue. After the ordinary share consolidation Speirs Group Limited has 1,133,596 ordinary shares on issue.

The directors are undertook the ordinary share consolidation as they believe that the reduced number of total ordinary shares on issue better reflects the current requirements of Speirs Group Limited's size and scope of operations.

Board and Management

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

I am due to retire by rotation at the next annual meeting and I have advised the Board that I do not intend to seek re-election. The Company is in a stable position, so it is an opportune time for me to step down. The Board will undertake a process to find a successor as Chair and a new director prior to the next Annual General Meeting.

The Board of the General Partner for Speirs Foods (2018) LP is Fred Hutchings (Chair), Ross Kane and Sarah McCormack.

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

I would like to acknowledge again the extra efforts that the staff and directors continue to make in responding to Covid-19. In a rapidly changing market and operating environment everybody continues to stand up and provide considerable additional effort to enable the business to continue operating safely and effectively and respond to the needs of our customers.

Dividend

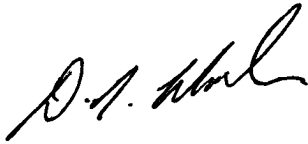
While the position of the Group has improved, the Board considers it prudent to preserve cash and decided not to pay a dividend for the period to 31 December 2021. In the future, if the two key trading investments, Speirs Foods and Equipment Leasing and finance distribute cash to the Speirs Group parent in excess of parent costs, then dividend payments will be considered.

Outlook

The economic outlook remains uncertain due to the impacts of Covid-19 with inflation rising and supply chain and labour constraints evident. This will continue to challenge trading conditions in the near term.

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

For and on behalf of the Directors,



Derek Walker
Chairman of Directors
Speirs Group Limited

3 February 2022

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 2021 are unaudited;
- The consolidated financial statements for the year ended, and as at, 30 June 2021 have been audited; and
- The six month period ended, and as at, 31 December 2020 are unaudited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Assets				
Current Assets				
Cash and Cash Equivalents	9	78	645	627
Prepayments		120	36	107
Loans, Advances and Investments	12	660	1,285	850
Assets Held for Resale		30	30	-
Trade and Other Receivables	10	2,279	1,902	2,463
Inventories	11	854	619	1,205
Total Current Assets		4,021	4,517	5,252
Non-Current Assets				
Loans, Advances and Investments	12	2,761	2,761	2,423
Deferred Income Tax Asset		276	276	276
Property, Plant & Equipment		2,606	2,554	2,578
Intangible Assets		131	69	83
Total Non-Current Assets		5,774	5,660	5,360
Total Assets		9,795	10,177	10,612
Liabilities				
Current Liabilities				
Borrowings	14	346	719	3,323
Leases	22	76	72	75
Trade and Other Payables	13	2,374	2,073	2,756
Total Current Liabilities		2,796	2,864	6,154
Non-Current Liabilities				
Leases	22	109	75	92
Borrowings	14	2,896	2,964	833
Total Non-Current Liabilities		3,005	3,039	925
Total Liabilities		5,801	5,903	7,079
Equity				
Capital	15	12,925	12,925	12,925
Accumulated Deficits		(9,435)	(9,202)	(9,818)
Equity Attributable to Owners of the Parent		3,490	3,723	3,107
Non-Controlling Interest		504	551	426
Total Equity		3,994	4,274	3,533
Total Equity and Liabilities		9,795	10,177	10,612

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2021

	Notes	6 months 31 December 2021 \$'000	12 months 30 June 2021 \$'000	6 months 31 December 2020 \$'000
Revenue	21	9,000	18,179	8,811
<i>Purchases of Raw Materials</i>		(4,276)	(7,702)	(3,808)
<i>Employee Benefits Expense</i>		(2,603)	(5,285)	(2,640)
<i>Freight, Packaging & Other</i>		(1,565)	(3,951)	(2,027)
Net Trading Income		556	1,241	336
Other Income	5	30	386	34
Total Net Income Earned from Operating Activities		586	1,627	370
Gain/(Loss) on Fair Value Through Profit or Loss of a Financial Asset	12	-	338	-
Other Expenses	6	(496)	(1,076)	(572)
Earnings/(Loss) Before Interest, Depreciation and Amortisation		90	889	(202)
<i>Interest Income</i>		4	31	19
<i>Interest Expense</i>		(123)	(283)	(141)
Net Interest Expense	7	(119)	(252)	(122)
Depreciation and Amortisation		(187)	(358)	(168)
Profit/(Loss) Before Income Tax		(216)	279	(492)
Income Tax (Expense)/ Benefit		-	(133)	(133)
Profit/(Loss) After Income Tax		(216)	146	(625)
Other Comprehensive Income		-	-	-
Total Comprehensive Income/(Loss)		(216)	146	(625)
Total Comprehensive Income/(Loss) for the Period				
Attributable to:				
Owners of Speirs Group Limited		(202)	135	(511)
Non-Controlling Interest		(14)	11	(114)
		(216)	146	(625)
Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company:				
Basic Profit/(Loss) per Share (c/share)	8	(20.55)	0.65	(4.78)
Diluted Profit/(Loss) per Share (c/share)	8	(20.55)	0.65	(4.78)
Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company Adjusted Comparatives to Reflect the 1 for 10 Share Consolidation on 24 November 2021:				
Basic Profit/(Loss) per Share (c/share)		N/A	6.50	(47.80)
Diluted Profit/(Loss) per Share (c/share)		N/A	6.50	(47.80)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021

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

For the year ended 30 June 2021

	Contributed Capital \$'000	Accumulated Deficits \$'000	Total Attributable to Owners of the Parent \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance at 1 July 2020	12,925	(9,276)	3,649	540	4,189
Comprehensive Income					
Profit/(Loss) for the Year	-	135	135	11	146
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income/(Loss)	-	135	135	11	146
Transactions with Owners in Their Capacity as Owners					
Dividends on Perpetual Preference Shares	-	(61)	(61)	-	(61)
Total Transactions with Owners	-	(61)	(61)	-	(61)
Balance at 30 June 2021	12,925	(9,202)	3,723	551	4,274

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2021

		6 months 31 December 2021 \$'000	12 months 30 June 2021 \$'000	6 months 31 December 2020 \$'000
	<i>Notes</i>			
Cash Flows from Operating Activities				
Interest Received		4	31	19
Dividends Received		-	229	-
Cash Receipts from Customers		8,623	17,731	7,799
Other Income		30	151	31
Dividends Paid on Redeemable Preference Shares		(101)	(226)	(112)
Interest Expense		(23)	(57)	(29)
Cash Paid to Suppliers and Employees		(8,988)	(17,633)	(8,645)
Net Cash from Operating Activities	16	(455)	226	(937)
Cash Flows from Investing Activities				
Disposal of Property, Plant & Equipment		-	2	52
Repayment of Loans		70	155	-
Repayment of Short Term Bank Deposits - Net		555	-	125
Investment in Short Term Bank Deposits - Net		-	(465)	-
Acquisition of Intangible Assets		(79)	-	-
Acquisition of Property, Plant & Equipment		(153)	(759)	(632)
Net Cash Flows from Investing Activities		393	(1,067)	(455)
Cash Flows from Financing Activities				
Proceeds from Borrowings - Net		71	1,068	1,753
Issue of 2025 Redeemable Preference Shares		-	212	-
Repayment of 2021 Redeemable Preference Shares		(512)	-	-
Distributions Paid to Non-Controlling Interests		(33)	(74)	(44)
Dividends Paid on Perpetual Preference Shares		(31)	(61)	(31)
Net Cash Flows from Financing Activities		(505)	1,145	1,678
Net Increase / (Decrease) in Cash and Cash Equivalents		(567)	304	286
Cash and Cash Equivalents at Beginning of Period		645	341	341
Cash and Cash Equivalents at Period End	9	78	645	627

Notes to the Financial Statements

1 GENERAL INFORMATION

Speirs Group Limited operates as a holding company. At 31 December 2021 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 (www.usx.co.nz).

2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these consolidated financial statements are the same as those applied for the year ended 30 June 2021. Please refer to the annual report for the year ended 30 June 2021 on the company's website at www.speirs.co.nz for full disclosure of the applicable significant accounting policies applied in relation to the preparation of these interim financial statements.

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

3 ESTIMATES AND JUDGMENTS

The Group makes assumptions and estimates that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgement has been exercised in:

Partial Recognition of a Future Income Tax Benefit

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

Measurement of Fair Value for Equipment Leasing and Finance Holdings

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

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

4 SEGMENT REPORTING

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

A summarised description of each business unit is shown below:

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

The Group operates wholly within New Zealand.

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

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

Group 12 months 30 June 2021	<i>Speirs Foods</i>	<i>Corporate</i>	<i>Consolidation Adjustments</i>	<i>Consolidated</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
External Revenue				
Dividends Received	-	229	-	229
Interest Income	-	31	-	31
Revenue	18,179	-	-	18,179
Other Income	155	231	(229)	157
Intersegment Revenue / (Eliminations)	-	(229)	229	-
Total Segment Revenue	18,334	262	-	18,596
Interest Expense	(100)	(228)	45	(283)
Overall Segment Result	(231)	230	280	279
Income Tax Benefit/(Expense)				(133)
Profit for the Year				146
Segment Assets	6,124	7,478	(3,425)	10,177
Segment Liabilities	3,609	2,775	(481)	5,903
Depreciation and Amortisation	657	96	(395)	358
Capital Expenditure	760	-	-	760

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

Group 6 months 31 December 2020	Speirs Foods \$'000	Corporate \$'000	Consolidation Adjustments \$'000	Consolidated \$'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.

5 OTHER INCOME

	6 months 31 December 2021 \$'000	12 months 30 June 2021 \$'000	6 months 31 December 2020 \$'000
Bad Debt Recoveries	-	3	-
Dividends Received	-	229	-
Gain on Disposal of Property, Plant and Equipment	-	3	3
Other Income	30	151	31
Total Other Income	30	386	34

6 OTHER EXPENSES

	6 months 31 December 2021 \$'000	12 months 30 June 2021 \$'000	6 months 31 December 2020 \$'000
Fees Paid to Auditors			
Statutory Audit of Financial Statements	36	59	24
Other Services	-	-	-
Directors Fees - Parent	37	73	37
Directors Fees - Subsidiaries	12	25	12
Impairment of Assets Held for Resale	-	19	-
Insurance	105	186	93
Write off of Obsolete Inventory	-	45	-
Other Expenses	306	669	406
Total Other Expenses	496	1,076	572

7 NET INTEREST EXPENSE

	6 months 31 December 2021 \$'000	12 months 30 June 2021 \$'000	6 months 31 December 2020 \$'000
Interest Income			
Cash and Cash Equivalents	3	11	8
Loans and Advances	1	20	11
Total Interest Income	4	31	19
Interest Expense			
Leases	6	16	9
Borrowings			
2021 Redeemable Preference Shares - Dividend	56	225	112
2025 Redeemable Preference Shares - Dividend	45	1	-
2025 Redeemable Preference Shares – Early Bird Interest	-	2	-
Term Loan Facility	10	16	6
Debtor Financing	6	23	14
Total Interest Expense	(123)	(283)	(141)
Net Interest Expense	(119)	(252)	(122)

8 EARNINGS/ (LOSS) PER SHARE

<i>Basic and Diluted Profit(Loss) per Share</i>	6 months 31 December 2021 \$'000	12 months 30 June 2021 \$'000	6 months 31 December 2020 \$'000
Profit/(Loss) Attributable to Ordinary Shareholders			
Profit/(Loss) for the Period	(202)	135	(511)
Dividends Paid on Perpetual Preference Shares	(31)	(61)	(31)
Profit/(Loss) for the Period Attributable to Ordinary Shareholders	(233)	74	(542)

	6 months 31 December 2021 '000	12 months 30 June 2021 '000	6 months 31 December 2020 '000
Number of Ordinary Shares			
Number of Ordinary Shares at Period End	1,134	11,335	11,335

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

Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company:			
Basic Profit/(Loss) per Share (c/share)	(20.55)	0.65	(4.78)
Diluted Profit/(Loss) per Share (c/share)	(20.55)	0.65	(4.78)

9 CASH AND CASH EQUIVALENTS

	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Cash at Bank	67	306	97
Short Term Deposits – Call	11	339	55
Short Term Deposits – Up to 90 days	-	-	475
Total Cash & Cash Equivalents	78	645	627

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

10 TRADE AND OTHER RECEIVABLES

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

30 June 2021	Gross Amount \$'000	Allowance for Expected Credit Losses \$'000	Carrying Amount \$'000
Trade and Other Receivables			
Trade Receivables	1,902	-	1,902
Total Trade and Other Receivables	1,902	-	1,902

31 December 2020	Gross Amount \$'000	Allowance for Expected Credit Losses \$'000	Carrying Amount \$'000
Trade and Other Receivables			
Trade Receivables	2,463	-	2,463
Total Trade and Other Receivables	2,463	-	2,463

11 INVENTORIES

	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Inventories			
Raw Materials and Consumables	720	525	1,038
Finished Goods	134	94	167
Total	854	619	1,205

No inventory is subject to retention of title clauses.

12 LOANS, ADVANCES AND INVESTMENTS

	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Debt Owing – Rosa Foods Limited	-	70	225
Investment in Equipment, Leasing & Finance Holdings Limited Ordinary Shares	2,761	2,405	2,111
Investment in Equipment, Leasing & Finance Holdings Limited Preference Shares	-	356	312
Short Term Deposits - BNZ	660	1,215	625
	3,421	4,046	3,273
Provision for Impairment	-	-	-
Carrying Value	3,421	4,046	3,273
Current	660	1,285	850
Non Current	2,761	2,761	2,423
Total	3,421	4,046	3,273

Investment in Equipment, Leasing & Finance Holdings Limited Ordinary Shares

Speirs Investments LP, a wholly owned subsidiary of Speirs Group Limited, holds 1,781,230 (30 June 2021: 1,551,872; 31 December 2020: 1,551,872) ordinary shares in Equipment, Leasing & Finance Holdings Limited ("EL&F"). The directors' assessment of the value for this investment is determined based on information in relation to: normalised historic earnings performance, normalised forecast future earnings and an assessment of appropriate earnings multiples for similar unlisted equity securities based on market information for similar types of companies. The directors consider this valuation approach best represents the fair value of Speirs' shareholding in EL&F. The total number of shares on issue in EL&F are 78,264,666 (30 June 2021: 78,264,666; 31 December 2020: 78,264,666). At 31 December 2021 the ordinary shares are valued at \$1.55 per share (30 June 2021: \$1.55 per share; 31 December 2020: \$1.36 per share). The increase in the value of the EL&F ordinary shares in the year ended 30 June 2021 principally arose from the recovery of the business after the Covid 19 pandemic lockdowns and the improving forecast future performance of EL&F. On 1 October 2021 the 229,358 EL&F preference shares held by Speirs Investments LP were converted into ordinary EL&F shares on a 1 for 1 basis in accordance with their terms of issue.

Investment in Equipment, Leasing & Finance Holdings Limited Preference Shares

Speirs Investments LP, a wholly owned subsidiary of Speirs Group Limited, holds, Nil preference shares in Equipment, Leasing & Finance Holdings Limited ("EL&F") (30 June 2021: 229,358; 31 December 2020: 229,358). In accordance with certain agreements dated 30 September 2016 these preference shares converted to ordinary shares in EL&F on a one for one basis on 1 October 2021.

The directors assessed that the fair value of the preference shares at 30 June 2021 and 31 December 2020 should be the same value as the existing EL&F ordinary shares at 30 June 2021 and 31 December 2020, - 30 June 2021 \$1.55 per share (31 December 2020: \$1.36 per share). In making this assessment the directors placed reliance on the facts that: (i) The dividend paid by EL&F in the 2021 financial year was made on both EL&F ordinary and preference shares; and (ii) on 1 October 2021 the EL&F preference shares held by Speirs Investments LP were converted into ordinary EL&F shares on a 1 for 1 basis in accordance with their terms of issue.

The total number of shares on issue in EL&F are 78,264,666 (30 June 2021: 78,264,666; 31 December 2020: 78,264,666).

Reconciliation – Six Months Ended 31 December 2021

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

Reconciliation – Year Ended 30 June 2021

	Ordinary Shares \$'000	Preference Shares \$'000	Total \$'000
Investment in Equipment, Leasing & Finance Holdings Limited at 1 July 2020	2,111	312	2,423
Fair Value Gains on Through Profit or Loss Financial Asset – Year Ended 30 June 2021	294	44	338
Investment in Equipment, Leasing & Finance Holdings Limited at 30 June 2021	2,405	356	2,761

Reconciliation – Six Months Ended 31 December 2020

	Ordinary Shares \$'000	Preference Shares \$'000	Total \$'000
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

13 TRADE AND OTHER PAYABLES

	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Trade and Other Payables			
Trade Payables	1,468	1,282	1,847
Distribution Owing to Kane Investments Limited	-	-	30
Non-Trade Payables and Accrued Expenses	906	791	879
	2,374	2,073	2,756

14 BORROWINGS

	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Borrowings			
Debtor Financing	209	71	689
2021 Redeemable Preference Shares	-	2,500	2,500
2025 Redeemable Preference Shares	2,200	212	-
Term Loan Facility	833	900	967
	3,242	3,683	4,156
Current	346	719	3,323
Non-Current	2,896	2,964	833
	3,242	3,683	4,156

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

	31 December 2021 %	30 June 2021 %	31 December 2020 %
Borrowings			
Debtor Financing	5.49%	4.88%	4.98%
2021 Redeemable Preference Shares	N/A	9.00%	9.00%
2025 Redeemable Preference Shares	7.50%	7.50%	N/A
Term Loan Facility	2.30%	2.30%	2.30%

Debtor Financing

The Limited Partnership has a debtor financing arrangement with a Registered Bank.

The debtor financing facility:

- Is secured by a first ranking charge over the assets and undertakings of Speirs Foods (2018) LP and a guarantee from Speirs Foods General Partner Limited; and
- 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 2021, 30 June 2021 and 31 December 2020 this covenant was respected.

2021 Redeemable Preference Shares

As at 31 December 2021 there are Nil (30 June 2021: 2,500,000; 31 December 2020: 2,500,000) 2021 Redeemable Preference Shares on issue at \$1 each. The 2021 Redeemable Preference Shares had a scheduled redemption date of 30 September 2021. The 2021 Redeemable Preference Shares ranked behind all other liabilities of Speirs Group Limited but ahead of ordinary and perpetual preference shareholders. The dividend rate on the 2021 Redeemable Preference Shares was 9.00% per annum.

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

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

2025 Redeemable Preference Shares

At 31 December 2021 there are 2,200,000 (30 June 2021: 212,315; 31 December 2020: Nil) fully paid 2025 Redeemable Preference Shares on issue at \$1 each. The 2025 Redeemable Preference Shares have a scheduled redemption date of 30 September 2025, although Speirs Group Limited has the right to redeem at any time before the scheduled redemption date. The 2025 Redeemable Preference Shares rank behind all other liabilities of Speirs Group Limited, equally with the 2021 Redeemable Preference Shares (until their maturity on 30 September 2021), but ahead of ordinary and perpetual preference shareholders. The fixed dividend rate on the 2025 Redeemable Preference Shares is 7.50% per annum.

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

Term Loan Facility

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

Amount	\$1 million
Main Purpose of the Facility	To fund capital expenditure
Term	5 years
Interest Rate	2.30% (fixed for 5 years)
Repayment Terms	60 monthly payments of \$12,900.18 The repayment amounts are based on a repayment period of 7 years. If this repayment period extends past the 5-year maturity date, Speirs Foods (2018) LP must repay the loan on the maturity date in full unless The Bank agrees to extend it. Based on the scheduled repayments a principal balance of \$302,308 will require refinancing or repayment at the end of the 5 year period.
Security	A first ranking charge over the assets of Speirs Foods (2018) LP and a guarantee from Speirs Foods General Partner Limited
Covenants	<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

	<p>day of each financial quarter on a rolling 12-month basis, with first test date at 30/12/2020.</p> <ul style="list-style-type: none"> Equity (total assets less loans to related parties less total liabilities plus loans from Limited Partners) 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 2021, 30 June 2021 and 31 December 2020 both covenants were respected.</p>
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15 CAPITAL

	<i>31 December</i> <i>2021</i> <i>\$'000</i>	<i>30 June</i> <i>2021</i> <i>\$'000</i>	<i>31 December</i> <i>2020</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>2021</i> <i>\$'000</i>	<i>30 June</i> <i>2021</i> <i>\$'000</i>	<i>31 December</i> <i>2020</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>2021</i> <i>\$'000</i>	<i>30 June</i> <i>2021</i> <i>\$'000</i>	<i>31 December</i> <i>2020</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	1,134	11,335	11,335

The total authorised number of ordinary shares at 31 December 2021 is 1,133,596 (30 June 2021: 11,334,576; 31 December 2020 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.

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

Perpetual Preference Shares

	Perpetual Preference Shares		
	<i>31 December</i> <i>2021</i> <i>\$'000</i>	<i>30 June</i> <i>2021</i> <i>\$'000</i>	<i>31 December</i> <i>2020</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" 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 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 May 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 May 2017 and May 2022).
Rate of conversion	Prior to the ordinary share consolidation on 24 November 2021, 1 PPS converted into 8 ordinary shares in the Company. After the ordinary share consolidation on 24 November 2021, 10 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 2021 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
0.0c per Ordinary Share (30 June 2021: 0.0c; 31 December 2020: 0.0c)	-	-	-
4.5c per Perpetual Preference Share (30 June 2021: 9.0c per share; 31 December 2020: 4.5c per share).	31	61	31

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

	6 months 31 December 2021 \$'000	12 months 30 June 2021 \$'000	6 months 31 December 2020 \$'000
Reconciliation of Profit/(Loss) for the Period to Net Cash from Operating Activities			
Profit/(Loss) for the Period	(202)	135	(511)
Adjustments for Non-Cash Items:			
Depreciation on Property, Plant and Equipment	170	331	154
Amortisation of Intangible Assets	17	27	14
Lease Payments on Right of Use Assets	(31)	(86)	(42)
Bad Debts Written Off/(Recovered)	-	(3)	-
Profit/(Loss) Share Attributable to Non-Controlling Interest	(14)	11	(114)
Impairment/(Reversal of Impairment) of Assets Held for Resale	-	19	-
Movement in Deferred Income Tax Asset	-	133	133
Loss/(Gain) on Disposal of Property, Plant and Equipment	-	(3)	(3)
Gain On Fair Value Through Profit or Loss Financial Asset	-	(338)	-
	(60)	226	(369)
Movement in Other Working Capital Items:			
Change in Inventories	(235)	(23)	(609)
Change in Trade and Other Receivables and Prepayments	(461)	(466)	(1,101)
Change in Trade and Other Payables	301	489	1,142
Net Cash From Operating Activities	(455)	226	(937)

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 2021 \$'000	12 Months 30 June 2021 \$'000	6 Months 31 December 2020 \$'000
Directors' Fees	49	98	49
Consulting Fees Paid to Key Management Personnel	172	321	157
	221	419	206

At 31 December 2021 the amount of unpaid consulting fees payable to key management personnel was \$23,000 (30 June 2021: \$23,000; 31 December 2020: \$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 2021 \$'000	PPS Dividends Year Ended 30 June 2021 \$'000	PPS Dividends Six Months Ended 31 December 2020 \$'000	PPS Shares Held 31 December 2021 \$'000	PPS Shares Held 30 June 2021 \$'000	PPS Shares Held 31 December 2020 \$'000
Nelson Speirs - Director	18	35	18	389	389	389
David Speirs - Director	13	26	13	290	290	290
	31	61	31	679	679	679

Dividends paid on **2021 Redeemable Preference Shares** to related parties and 2021 Redeemable Preference Shares held at period end were:

	RPS Dividends Six Months Ended 31 December 2021 \$'000	RPS Dividends Year Ended 30 June 2021 \$'000	RPS Dividends Six Months Ended 31 December 2020 \$'000	RPS Shares Held 31 December 2021 \$'000	RPS Shares Held 30 June 2021 \$'000	RPS Shares Held 31 December 2020 \$'000
Derek Walker - Director	1	3	1	-	30	30
Lee Simpson – Company Secretary	3	11	6	-	126	126
	4	14	7	-	156	156

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

	RPS Dividends Six Months Ended 31 December 2021 \$'000	RPS Dividends Paid Year Ended 30 June 2021 \$'000	RPS Dividends Six Months Ended 31 December 2020 \$'000	RPS Shares Held 31 December 2021 \$'000	RPS Shares Held 30 June 2021 \$'000	RPS Shares Held 31 December 2020 \$'000
Derek Walker - Director	1	-	-	29	-	-
Lee Simpson – Company Secretary	3	-	-	138	12	-
	4	-	-	167	12	-

Other Transactions with Key Management Personnel

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

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

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

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

Transactions with related parties during the period ended 31 December 2021 are summarised below:

- **Speirs Foods (2018) LP**
 - Speirs Group Limited received a distribution of \$67,000 (30 June 2021: \$Nil; 31 December 2020: \$Nil) from Speirs Foods (2018) LP.
 - Speirs Group Limited charged rent on land and buildings leased by Speirs Foods (2018) LP of \$82,500 (30 June 2021: \$165,000; 31 December 2020: \$82,500)
 - Speirs Group Limited charged Speirs Foods (2018) LP \$33,000 (30 June 2021: \$66,000; 31 December 2020: \$33,000) in respect of corporate services provided by Speirs Group Limited.
 - At 31 December 2021 Speirs Foods (2018) LP owed \$Nil (30 June 2021: \$Nil; 31 December 2020: \$60,300) to Speirs Group Limited in relation to distributions owing.
 - Speirs Group Limited paid rates and water rates and recharged these to Speirs Foods (2018) LP of \$33,853. (30 June 2021: \$48,880; 31 December 2020: \$Nil)
 - Reimbursed Speirs Foods General Partner Limited \$13,307 (30 June 2021: \$30,978; 31 December 2020: \$15,918) in relation to costs incurred by Speirs Foods General Partner Limited in the execution of its duties as General Partner for the Limited Partnership.

- **Speirs Investments LP**
 - Speirs Group Limited provided an interest free loan to Speirs Investments LP in the amount of \$171,846. At 31 December 2021 the balance owed by Speirs Investments LP to Speirs Group Limited was \$171,846 (30 June 2021: \$171,846); 31 December 2020: \$171,846).
 - Speirs Investments LP made a distribution of \$Nil (Year Ended 30 June 2021: \$229,128; Six Months Ended 31 December 2020: \$Nil) to Speirs Group Limited.

- **Kane Investments Limited**
 - Kane Investments Limited received a distribution of \$33,000 (12 months 30 June 2021: \$Nil; 6 months 31 December 2020: \$Nil) from Speirs Foods (2018) LP.
 - At 31 December 2020 Speirs Foods (2018) LP owed \$Nil (30 June 2021: \$Nil; 31 December 2020: \$29,700) to Kane Investments Limited in relation to distributions owing.

18 CAPITAL COMMITMENTS AND CONTINGENCIES

The Group was committed to the following at year end:

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

30 June 2021	Capital Expenditure \$'000	Total \$'000
Less than One Year	13	13
Between One and Five Years	-	-
More than Five Years	-	-
	13	13

31 December 2020	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 2021: Nil; 31 December 2020: 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 2021	30 June 2021	31 December 2020
	\$	\$	\$
Net Tangible Assets Per Ordinary Share	2.34	0.26	0.20
Adjusted Comparative Net Tangible Assets per Share to Reflect 1 for 10 Share Consolidation on 24 November 2021	N/A	2.60	2.00

21 REVENUE

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

	31 December 2021	30 June 2021	31 December 2020
Geographical Region	New Zealand - 100% of Revenue	New Zealand - 100% of Revenue	New Zealand - 100% of Revenue
Type of Goods	Salads and fresh cut vegetables	Salads and fresh cut vegetables	Salads and fresh cut vegetables
Customers/Sales Channels	Supermarket Chains – 99% of Revenue	Supermarket Chains – 98% of Revenue	Supermarket Chains – 95% 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 2% of all sales made. At balance date the obligations to provide a credit note for returned goods was immaterial.

22 LEASING

NZ IFRS 16 Leases

The Group has leases for motor vehicles, forklifts and some IT equipment. The lease liabilities are secured over the related underlying assets. 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 2021 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Lease Liabilities (current)	76	72	75
Lease Liabilities (non-current)	109	75	92
	185	147	167

Future minimum lease payments are as follows:

Minimum Lease Payments Due

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

31 June 2021	Within 1 Year \$'000	1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
Lease Payments	82	80	-	162
Finance Charges	(10)	(5)	-	(15)
Net Present Values	72	75	-	147

31 December 2021	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

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

31 December 2021

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

30 June 2021

	Carrying Amount \$'000	Depreciation Expense \$'000	Impairment \$'000
Computer Equipment	22	25	-
Vehicles	47	36	-
Other Plant and Equipment	68	28	-
Total Right-of-Use Assets	137	89	-

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	-

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 2021:

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	36 to 58 months	50 months	0	0	0	0
Vehicles	4	7 to 36 months	27 months	0	0	0	0
Other Plant and Equipment	3	19 to 33 months	26 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 2021	Fair Value Through Profit or Loss \$'000	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total Carrying Value \$'000
Trade and Other Receivables	-	2,279	-	2,279
Loans, Advances and Investments	2,761	660	-	3,421
Cash and Cash Equivalents	-	78	-	78
	2,761	3,017	-	5,778
Trade and Other Payables	-	-	2,126	2,126
Borrowings	-	-	3,242	3,242
	-	-	5,368	5,368
Group 30 June 2021	Fair Value Through Profit or Loss \$'000	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total Carrying Value \$'000
Trade and Other Receivables	-	1,902	-	1,902
Loans, Advances and Investments	2,761	1,285	-	4,046
Cash and Cash Equivalents	-	645	-	645
	2,761	3,832	-	6,593
Trade and Other Payables	-	-	1,948	1,948
Borrowings	-	-	3,683	3,683
	-	-	5,631	5,631
Group 31 December 2020	Fair Value Through Profit or Loss \$'000	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total Carrying Value \$'000
Trade and Other Receivables	-	2,463	-	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

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.