

# Speirs Group Limited

## Annual Report

*for the year ended 30 June 2014*

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**Speirs Group Limited**

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## **REPORTING BY DIRECTORS**

The 2013/14 year has seen significant progress in rebuilding shareholder value.

This has been achieved through the improved performance of the existing business, the successful re-entry into the finance business and some recovery of the value of investments. At the same time a successful re-financing of the company's debt and maturing preference shares was completed. The company is now significantly better positioned to achieve acceptable levels of profitability and growth.

### **Speirs Foods**

Speirs Foods has maintained its leadership role in the processing, distribution and marketing of fresh salads and related products throughout New Zealand. Speirs Foods produced its best result for some years with a profit of \$409,000 up 85% on last year's profit \$221,000. Continued focus on growing sales resulted in Total Revenue of \$16.2m, up by 9% on last year's revenue of \$14.9m. Labour and material costs were also higher reflecting the increased sales and some inflationary effects.

While coleslaw and potato salad continue to provide the majority of sales, Speirs Foods continues to introduce new salad products into both its Summer and Winter range. This included the introduction of Speirs branded salad pottles into supermarkets.

In the coming year, Speirs Foods will maintain focus on increasing sales and making further gains in production efficiency.

The management team and staff are ably led by Chris Newton. They continue to build strong relationships with our suppliers and our supermarket clients. A separate board comprising Derek Walker (Chair), John McCliskie and Robert Speirs have provided good governance oversight and strategic direction.

### **Speirs Securitisation Limited Partnership**

The book of receivables purchased in June 2012 is now almost completely run-down as loans are repaid. Recoveries have been in line with expectations. This business provided a net cash flow of \$260,000. The rundown of this book will conclude in October 2014.

### **Advaro Financial Services Limited**

Over the last two years we have been seeking opportunities to re-enter the finance business to take advantage of the infrastructure, know-how and systems that Speirs has. After considerable effort this has come to fruition. Speirs Finance (NZ) commenced trading in February 2014 providing funding for motor and vehicle and commercial plant to small and medium sized businesses in New Zealand. Speirs Group had a 25% interest in this business with the balance being owned by Maui Private Equity interests. Maui also provided most of the subordinated debt required by the new entity and the senior wholesale debt was provided by a major bank. Speirs received a fee of \$1 million for the establishment of the business which has been re-invested into the business as subordinated debt.

Subsequently Speirs and Maui decided to acquire another established finance business, RentPlus, to complement Speirs Finance (NZ). The combined businesses have been renamed Advvaro Financial Services Limited ("Advvaro"). As a result of this transaction Speirs now holds an 11.76% interest in Advvaro as well as the \$1 million subordinated debt. (All these transactions have been advised previously to shareholders by way of PreBreak announcements).

The net gain recognised as a result of these transactions in the year is \$2.06 million comprising a \$1.06 million value for the 11.76% interest in Advvaro and \$1 million for the fee which was reinvested in subordinated debt. Speirs has the right to appoint one director to the Advvaro board which was initially Keith Taylor. Subsequent to 30 June 2014 Nelson Speirs has assumed this role.

The finance business is challenging and competitive but Advaro has made good progress in the period since establishment meeting the anticipated level of new business.

### **Speirs Nutritionals Partners LP**

The rights to our omega-3 Intellectual Property and our Processing Knowhow, were sold in 2011. Speirs Nutritionals will receive a series of quarterly Subsequent Payments when sales of products using the Intellectual Property and the Processing Knowhow are made. No payments have yet been received nor are anticipated in the immediate future.

Speirs Nutritionals owned various items of manufacturing plant which have all been sold during the last three years. This has resulted in the investment in Speirs Nutritionals being written down by a further \$40,000 during the current year. A distribution of \$48,000 was received from Speirs Nutritionals and the remaining carrying value is now only \$12,000.

### **Investments**

The company's principal external investment is with Allied Farmers Limited, arising from the sale of Speirs Finance in September 2008. Speirs Group held \$2 million of bonds in Allied Nationwide Finance Limited (which is now called NFA Limited (In Liquidation)) and also held a put option over the bonds which enabled the sale of the bonds to Allied Farmers Limited on 30 September 2013. This put option was exercised. Agreement was reached with Allied Farmers Limited whereby the debt they then owed Speirs was satisfied by the issuance to Speirs of 14,678,487 ordinary shares in Allied Farmers Limited and the payment to Speirs of \$500,000 on or before 30 April 2016. At balance date the shares had a market value of \$734,000. A provision for impairment of \$500,000 was made against the payment due in 2016 due to the uncertainty it will be settled.

### **Capital and Borrowings**

In the later part of 2013 the company refinanced \$1.190 million of Secured Stock (issued by its subsidiary Speirs Funding Limited) and \$2.571 million of Convertible Redeemable Preference Shares. This was substantially funded by the issue of \$2.930 million of Redeemable Preference Shares which mature on 30 September 2017.

The balance was funded by draw-downs on mortgage and debtor financing facilities held by Speirs Foods Limited.

### **Corporate**

Corporate non-financial costs have been higher due to the costs of refinancing and establishing the new finance business. However underlying costs have been maintained at a minimal level.

### **Financial Performance**

The activities described above have had significant positive impacts upon the financial performance of the group during the financial year under review.

Speirs Group Limited recorded a profit after tax of \$2,019,000 compared to the loss of \$622,000 reported in the previous year. An operating cash flow surplus of \$818,000 was achieved compared to a surplus of \$26,000 reported in the previous year.

The major contributors to the profit result were the completion of the Advaro transaction, the settlement reached with Allied Farmers and the improved performance of Speirs Foods Limited which contributed a profit of \$409,000 (last year \$221,000). Corporate overheads (excluding refinancing and one off costs) amounted to \$450,000 (last year \$316,000) and net interest costs amounted to \$563,000 (last year \$513,000).

**Board of Directors**

At 30 June 2014 the Board of Directors of the Company comprised three non-executive directors:

Keith Taylor B.Sc. B.C.A F.I.A., Chairman  
Nelson Speirs, FCA.  
Derek Walker, B.E. (Hons), B.B.S.

**Outlook**

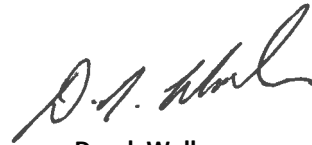
Having achieved significant progress in the year just completed the Directors' objective is to build value in the company. Improved performance will be sought from the existing businesses and further opportunities to grow the business will be sought.

**Our People**

Speirs Group has continued to benefit, as it has for many years, from strong supportive relationships with all its stakeholders. We wish to again thank our investors, customers, suppliers and staff for the strong support they have provided during this past twelve month period



**Keith Taylor**  
Chairman



**Derek Walker**  
Director

25 August 2014

## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Notes	Group		Company	
		June	June	June	June
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	12	781	426	139	162
Trade and Other Receivables	13	1,649	1,453	172	177
Loans, Advances and Investments	16	-	-	-	810
Assets Held for Sale	18	-	2,449	-	-
Inventories	14	413	375	-	-
<b>Total Current Assets</b>		<b>2,843</b>	<b>4,703</b>	<b>311</b>	<b>1,149</b>
<b>Non Current Assets</b>					
Investment in Subsidiaries	29	-	-	4,000	4,000
Investment in Associates	15	1,547	541	512	600
Trade and Other Receivables	13	-	422	-	-
Loans, Advances and Investments	16	1,734	-	1,734	44
Property, Plant & Equipment	18	2,985	976	-	-
Intangible Assets	19	-	6	-	-
<b>Total Non Current Assets</b>		<b>6,266</b>	<b>1,945</b>	<b>6,246</b>	<b>4,644</b>
<b>Total Assets</b>		<b>9,109</b>	<b>6,648</b>	<b>6,557</b>	<b>5,793</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and Other Payables	20	2,144	2,089	1,429	259
Borrowings	21	685	3,705	-	2,515
Guarantee Provided to Speirs Investments Limited	27	-	-	-	2,000
<b>Total Current Liabilities</b>		<b>2,829</b>	<b>5,794</b>	<b>1,429</b>	<b>4,774</b>
<b>Non Current Liabilities</b>					
Borrowings	21	4,123	655	2,930	-
<b>Total Liabilities</b>		<b>6,952</b>	<b>6,449</b>	<b>4,359</b>	<b>4,774</b>
<b>Equity</b>					
Contributed Capital	22	12,925	13,391	12,925	13,391
Accumulated Deficits		(10,768)	(13,192)	(10,727)	(12,372)
<b>Capital &amp; Reserves</b>		<b>2,157</b>	<b>199</b>	<b>2,198</b>	<b>1,019</b>
<b>Total Equity and Liabilities</b>		<b>9,109</b>	<b>6,648</b>	<b>6,557</b>	<b>5,793</b>

The Board of Directors of Speirs Group Limited authorised these financial statements for issue on 25 August 2014.

Signed on behalf of the Board of Directors



Keith Taylor  
Chairman



Derek Walker  
Director

25 August 2014

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Notes	Group		Company	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue		15,947	14,708	-	-
Purchases of Raw Materials		(5,137)	(4,983)	-	-
Employee Benefits Expense	6	(4,174)	(4,030)	(69)	(64)
Freight, Packaging & Other		(5,148)	(4,796)	-	-
Net Trading Income		1,488	899	(69)	(64)
Other Income	7	2,166	689	2,472	676
<b>Total Net Income earned from Operating Activities</b>		<b>3,654</b>	<b>1,588</b>	<b>2,403</b>	<b>612</b>
Share of Gain/(Loss) and Gain on Acquisition of Associates	15	1,055	(160)	-	-
Impairment (Loss) on Associate	15	-	-	(40)	(184)
Other Expenses	8	(1,753)	(1,151)	(760)	(316)
Earnings Before Interest, Depreciation, Impairment and Amortisation		2,956	277	1,603	112
Interest Income		51	27	68	102
Interest Expense		(614)	(540)	(431)	(554)
Net Interest Expense	9	(563)	(513)	(363)	(452)
Depreciation, Impairment and Amortisation	18 & 19	(374)	(386)	-	-
<b>Profit/(Loss) Loss Before Income Tax</b>		<b>2,019</b>	<b>(622)</b>	<b>1,240</b>	<b>(340)</b>
Income Tax (Expense)/ Benefit	10	-	-	-	-
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>2,019</b>	<b>(622)</b>	<b>1,240</b>	<b>(340)</b>

	Note	Group		Company	
		2014 Cents	2013 Cents	2014 Cents	2013 Cents
<b>Total Profit/(Loss) per Share Attributed to Equity Holders of the Company :</b>					
Basic Profit/(Loss) per Share	11	17.27	(6.03)	10.40	(3.54)
Diluted Profit/(Loss) per Share	11	17.27	(6.03)	10.40	(3.54)

The accompanying notes are an integral part of these financial statements

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2014

### Group

	<i>Contributed Capital</i>	<i>Accumulated Deficits</i>	<i>Total Equity</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Balance at 1 July 2013</b>	<b>13,391</b>	<b>(13,192)</b>	<b>199</b>
<b>Comprehensive Income</b>			
Profit for the Year	-	<b>2,019</b>	<b>2,019</b>
<b>Total Comprehensive Income</b>	-	<b>2,019</b>	<b>2,019</b>
<b>Transactions with Owners</b>			
Equity Transfer Arising from Repayment of Convertible Redeemable Preference Shares	<b>(466)</b>	<b>466</b>	-
Dividends Paid On Perpetual Preference Shares	-	<b>(61)</b>	<b>(61)</b>
<b>Total Transactions with Owners</b>	<b>(466)</b>	<b>405</b>	<b>(61)</b>
<b>Balance at 30 June 2014</b>	<b>12,925</b>	<b>(10,768)</b>	<b>2,157</b>

### Group

	<i>Contributed Capital</i>	<i>Accumulated Deficits</i>	<i>Total Equity</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Balance at 1 July 2012</b>	<b>13,391</b>	<b>(12,509)</b>	<b>882</b>
<b>Comprehensive Income</b>			
Loss for the Year	-	<b>(622)</b>	<b>(622)</b>
<b>Total Comprehensive Income</b>	-	<b>(622)</b>	<b>(622)</b>
<b>Transactions with Owners</b>			
Dividends Paid On Perpetual Preference Shares	-	<b>(61)</b>	<b>(61)</b>
<b>Total Transactions with Owners</b>	-	<b>(61)</b>	<b>(61)</b>
<b>Balance at 30 June 2013</b>	<b>13,391</b>	<b>(13,192)</b>	<b>199</b>

The accompanying notes are an integral part of these financial statements



## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2014

### Company

	<i>Contributed Capital \$'000</i>	<i>Accumulated Deficits \$'000</i>	<i>Total Equity \$'000</i>
<b>Balance at 1 July 2013</b>	<b>13,391</b>	<b>(12,372)</b>	<b>1,019</b>
<b>Comprehensive Income</b>			
Profit for the Year	-	1,240	1,240
<b>Total Comprehensive Income</b>	<b>-</b>	<b>1,240</b>	<b>1,240</b>
<b>Transactions with Owners</b>			
Equity Transfer Arising from Repayment of Convertible Redeemable Preference Shares	(466)	466	-
Dividends on Perpetual Preference Shares	-	(61)	(61)
<b>Total Transactions with Owners</b>	<b>(466)</b>	<b>405</b>	<b>(61)</b>
<b>Balance at 30 June 2014</b>	<b>12,925</b>	<b>(10,727)</b>	<b>2,198</b>

### Company

	<i>Contributed Capital \$'000</i>	<i>Accumulated Deficits \$'000</i>	<i>Total Equity \$'000</i>
<b>Balance at 1 July 2012</b>	<b>13,391</b>	<b>(11,971)</b>	<b>1,420</b>
<b>Comprehensive Income</b>			
Loss for the Year	-	(340)	(340)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>(340)</b>	<b>(340)</b>
<b>Transactions with Owners</b>			
Dividends on Perpetual Preference Shares	-	(61)	(61)
<b>Total Transactions with Owners</b>	<b>-</b>	<b>(61)</b>	<b>(61)</b>
<b>Balance at 30 June 2013</b>	<b>13,391</b>	<b>(12,372)</b>	<b>1,019</b>

The accompanying notes are an integral part of these financial statements

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2014

	<i>Group</i>		<i>Company</i>	
<i>Notes</i>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$'0000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows from Operating Activities</b>				
Interest Received	51	27	58	102
Dividends Received	10	10	410	610
Fees in Relation to Establishment of Speirs Finance (NZ)	1,300	-	1,300	-
Distribution from Speirs Securitisation LP	-	-	260	-
Cash Receipts from Customers	15,778	14,570	-	-
Other Income	406	679	72	66
Dividends Paid on Redeemable Preference Shares	(159)	-	(159)	-
Dividends Paid on Convertible Redeemable Preference Shares	(107)	(231)	(107)	(231)
Interest Expense	(262)	(185)	(78)	(200)
Cash Paid to Suppliers and Employees	(16,199)	(14,844)	(575)	(261)
<b>Net Cash from Operating Activities</b>	<b>23</b>	<b>818</b>	<b>26</b>	<b>1,181</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale of Property, Plant & Equipment	5	-	-	-
Repayment of Advance to Speirs Securitisation LP	-	121	44	106
Repayment of Investment in Speirs Nutritionals Partners LP	48	-	48	-
Repayment of Speirs Securities Limited Subordinated Debt	317	-	-	-
Investment in Subordinated Debt – Speirs Finance (NZ) LP	(1,000)	-	(1,000)	-
Acquisition of Property, Plant & Equipment	(163)	(149)	-	-
<b>Net Cash Flows from Investing Activities</b>	<b>(793)</b>	<b>(28)</b>	<b>(908)</b>	<b>106</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from Borrowings	2,543	150	1,320	-
Repayments of Borrowings	(2,152)	-	(1,555)	-
Dividends Paid on Perpetual Preference Shares	(61)	(61)	(61)	(61)
<b>Net Cash Flows from Financing Activities</b>	<b>330</b>	<b>89</b>	<b>(296)</b>	<b>(61)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	355	87	(23)	131
Cash and Cash Equivalents at Beginning of Year	426	339	162	31
<b>Cash and Cash Equivalents at Year End</b>	<b>12</b>	<b>781</b>	<b>426</b>	<b>139</b>

The accompanying notes are an integral part of these financial statements

# Notes to the Financial Statements

## 1 GENERAL INFORMATION

Speirs Group Limited operates as a holding company. Speirs Foods Limited was formed on 1 July 2010 and is also a wholly owned subsidiary of Speirs Group Limited and is involved in the production and distribution of fresh food products. Speirs Securitisation LP was formed on 31 May 2012 and is also a wholly owned subsidiary of Speirs Group Limited and is involved in providing administrative services to a securitisation programme. Speirs Investments LP is a wholly owned subsidiary of Speirs Group Limited which holds an 11.76% investment in Advaro Financial Services Limited

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

Speirs Group Limited has equity securities listed on the alternative list (NZAX) of New Zealand Exchange Limited.

These consolidated financial statements have been approved for issue by the Board of Directors on 25 August 2014.

## 2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practices in New Zealand. They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

The financial statements are presented in New Zealand dollars, the company's functional currency, and are rounded to the nearest thousand. They are prepared using the historical cost basis.

#### *Compliance with International Financial Reporting Standards*

The financial statements of Speirs Group Limited comply with International Financial Reporting Standards ("IFRS").

#### *Entities Reporting*

The financial statements of the 'Company' are for Speirs Group Limited as a separate legal entity.

The consolidated financial statements of the 'Group' are for the economic entity comprising Speirs Group Limited, its wholly owned subsidiaries Speirs Foods Limited, Speirs Securitisation LP and Speirs Investments LP and its associate entities Rosa Foods Limited and Speirs Nutritionals Partners LP. All entities within the group are registered in New Zealand.

The Parent Company and the Group are designated as profit-oriented entities for financial reporting purposes.

#### *Statutory Base*

Speirs Group Limited is a company registered under the Companies Act 1993 and is an issuer in terms of the Financial Reporting Act 1993.

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013 and the Companies Act 1993.

#### *Critical Accounting Estimates*

The preparation of financial statements in conformity with NZ IFRS and IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of NZ IFRS and IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

### 2.2 Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of Speirs Group Limited ('company' or 'parent entity'), its wholly owned subsidiaries Speirs Foods Limited, Speirs Securitisation LP and Speirs Investments LP as at 30 June 2014. Speirs Group Limited and its wholly owned subsidiaries and associates are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are those entities over which the company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights coupled with the ability to appoint the majority of the directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally evidenced by holding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the Group by using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2.4 Financial Assets

The Group classifies its financial assets in the following category: 'loans and advances'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition (as determined by their settlement date) and re-evaluates this designation at every reporting date.

Regular purchases and sales of financial assets are recognised on the trade – date - the date on which the Group commits to purchase or sell the asset.

### *Shares*

Shares held in listed entities are treated as a Fair value through P&L Category. The shares are carried at fair value with movements in market value recorded through the Statement of Comprehensive Income.

### *Loans and Advances*

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and advances are accounted for at amortised cost using the effective interest method. Loans and receivables are initially recognised at fair value inclusive of transaction costs. Loans and receivables are derecognised when the rights to receive cash flows from them have expired or where the Group has transferred substantially all risks and rewards of ownership.

## 2.5 Impairment

### *Impairment of Non-Financial Assets*

The carrying amounts of the Group's non-financial assets, other than inventory and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available to use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit, or group of units, on a pro-rata basis. The cash generating units are Speirs Nutritionals Partners LP and Rosa Foods Limited (associates of Speirs Group Limited), Speirs Investments Limited and Speirs Foods Limited (wholly owned subsidiaries of Speirs Group Limited).

The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 2.6 Property, Plant and Equipment

### *Owned Assets*

Land is recorded at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the land.

Buildings, plant and equipment, computer equipment and vehicles are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the construction or acquisition of the items.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, and only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other expenses are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate assets' costs less their residual values to their estimated lives, as follows:

• Buildings	2.50 – 3.00%
• Computer Equipment	12.50 – 20.00%
• Vehicles	20.00%
• Other plant and equipment	10.00 – 25.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

## 2.7 Intangible Assets

Acquired computer software and other identifiable intangible assets are capitalised on the basis of the costs incurred to acquire them and bring them to use.

Computer software costs and other intangible assets are considered to have a definite life and are amortised over the best estimate of their useful lives (4 years).

## 2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes any borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## 2.9 Trade Receivables and Loans and Advances

Trade receivables and loans and advances are initially recognised at fair value and subsequent to initial recognition are measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables and loans and advances is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables, loan and or advance. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

## 2.10 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within liabilities on the statement of financial position.

## 2.11 Share Capital

Ordinary shares and perpetual preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.12 Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

## 2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value being recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Interest expense is recognised using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period to which it relates.

## 2.14 Employee Benefits

### *Bonus Obligations*

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the expected level of payment.

### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All short-term employee benefit obligations are presented as other payables.

## 2.15 Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2.16 Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the other comprehensive component in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred income tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax is realised or settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2.17 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of goods and services tax, and is recognised as follows:

### *Sales of Goods*

Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs, the possible return of goods, or continuing management involvement with the goods.

### *Provision of Services*

Revenue from the provision of services is recognised in the statement of comprehensive income when the service has been performed.

### *Interest Income*

Interest income and expense are recognised in the statement of comprehensive income for all interest-bearing financial instruments, including loans and advances, using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

## 2.18 Other Income

### *Dividend Income*

Dividend income is recognised when the right to receive payment is established.

## 2.19 Dividend Distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

## 2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

## 2.21 Goods and Services Tax (GST)

The statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of trade receivables and trade payables, which include GST invoiced.

## 2.22 Functional and Presentation Currency

### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss component of the statements of comprehensive income, except when deferred in equity as qualifying cash flow hedges in which case, they are recognised in other comprehensive income.

## 2.23 Investment in Subsidiaries and Associates

The Parent Company records its investment in subsidiaries and associates at cost less any accumulated impairment losses.

## 2.24 Comparatives

Certain comparatives have changed to comply with current year presentation.

## 2.25 Assets Held for Sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

## 2.26 Financial Reporting Standards

### **a) New and Amended Standards adopted by the Group:**

There are no new standards or amendments to standards effective for periods beginning 1 July 2014 that are relevant to the Group.

### **b) Standards not early adopted by the Group:**

Speirs chose not to early adopt the following accounting standards that may have a material effect on the financial statements in future years:

- NZ IFRS 9 Financial Instruments – effective for the year ending 30 June 2016.
- NZ IAS 28 (amended 2011) Investments in associates and joint ventures – effective for the year ending 30 June 2015

Speirs is in the process of assessing the impact of adopting these accounting standards.

## 3 ESTIMATES AND JUDGMENTS

The Company and 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. There are no significant accounting estimates and assumptions deemed critical to the Company'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:

<b>Speirs Foods</b>	The supply of salad and fresh cut vegetables to retailers and caterers.
<b>Other</b>	The Group has some central operations and corporate costs which are not allocated to business segments. This includes the operations of Speirs Investments LP and Speirs Securitisation LP

The Group operates predominantly within New Zealand.

<b>Group 12 months June 2014</b>	<b>Speirs Foods \$'000</b>	<b>Other \$'000</b>	<b>Reconciliation \$'000</b>	<b>Consolidated \$'000</b>
External Revenue				
Interest Income	3	48	-	51
Revenue	15,947	-	-	15,947
Gain on Associates	-	1,055	-	1,055
Other Income	209	1,957		2,166
Intersegment Revenue / (Eliminations)	-	466	(466)	-
<b>Total Segment Revenue</b>	<b>16,159</b>	<b>3,526</b>	<b>(466)</b>	<b>19,219</b>
Overall Segment Result	409	2,076	(466)	2,019
Income Tax Expense				-
<b>Profit/(Loss) for the Year</b>				<b>2,019</b>
Segment Assets	6,792	6,317	(4,000)	9,109
Segment Liabilities	3,927	3,025	-	6,952
Depreciation, Impairment and Amortisation	374	-	-	374
Capital Expenditure	188	-	-	188

Two customers account for 84% of the total Revenue



<b>Group 12 months June 2013</b>	<b>Speirs Foods</b>	<b>Other</b>	<b>Reconciliation</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
External Revenue				
Interest Income	5	22	-	27
Revenue	14,708	-	-	14,708
Other Income	197	492		689
Intersegment Revenue / (Eliminations)	-	666	(666)	-
<b>Total Segment Revenue</b>	<b>14,910</b>	<b>1,180</b>	<b>(666)</b>	<b>15,424</b>
Overall Segment Result	221	(266)	(577)	(622)
Income Tax Expense				-
Profit/(Loss) for the Year				(622)
Segment Assets	5,382	5,266	(4,000)	6,648
Segment Liabilities	2,526	3,923	-	6,449
Depreciation, Impairment and Amortisation	386	-	-	386
Capital Expenditure	149	-	-	149

Two customers account for 79% of the total Trading Revenue

## 5 FINANCIAL ASSETS AND LIABILITIES

### Accounting Classifications and Fair Values

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

Group 30 June 2014	Available for	Loans	Financial	Total	Fair Value
	Sale	and	Liabilities at	Carrying	
	\$'000	Receivables	Amortised	Value	\$'000
		\$'000	Cost	\$'000	\$'000
Trade and Other Receivables	57	1,592	-	1,649	1,649
Loans, Advances and Investments	-	1,734	-	1,734	1,734
Cash and Cash Equivalents	-	781	-	781	781
	<b>57</b>	<b>4,107</b>	<b>-</b>	<b>4,164</b>	<b>4,164</b>
Trade and Other Payables	-	-	2,144	2,144	2,144
Borrowings	-	-	4,808	4,808	4,808
	-	-	<b>6,952</b>	<b>6,952</b>	<b>6,952</b>

Group 30 June 2013	Available for	Loans	Financial	Total	Fair Value
	Sale	and	Liabilities at	Carrying	
	\$'000	Receivables	Amortised	Value	\$'000
		\$'000	Cost	\$'000	\$'000
Trade and Other Receivables	422	1,453	-	1,875	1,875
Cash and Cash Equivalents	-	426	-	426	426
	<b>422</b>	<b>1,879</b>	<b>-</b>	<b>2,301</b>	<b>2,301</b>
Trade and Other Payables	-	-	2,089	2,089	2,089
Borrowings	-	-	4,360	4,360	4,360
	-	-	<b>6,449</b>	<b>6,449</b>	<b>6,449</b>

Company 30 June 2014	Loans	Financial	Total	Fair Value
	and	Liabilities at	Carrying	
	Receivables	Amortised	Value	\$'000
	\$'000	Cost	\$'000	\$'000
Cash and Cash Equivalents	139	-	139	139
Trade and Other Receivables	172	-	172	172
Loans, Advances and Investments	1,734	-	1,734	1,734
	<b>2,045</b>	<b>-</b>	<b>2,045</b>	<b>2,045</b>
Trade and Other Payables	-	1,429	1,429	1,429
Borrowings	-	2,930	2,930	2,930
	-	<b>4,359</b>	<b>4,359</b>	<b>4,359</b>

Company 30 June 2013	Loans and	Financial	Total	Fair Value
	Receivables	Liabilities at	Carrying	
	\$'000	Amortised	Value	\$'000
		Cost	\$'000	\$'000
Cash and Cash Equivalents	162	-	162	162
Trade and Other Receivables	177	-	177	177
Loans and Advances	854	-	854	854
	<b>1,213</b>	<b>-</b>	<b>1,213</b>	<b>1,213</b>
Trade and Other Payables	-	259	259	259
Guarantee to Speirs Investments Limited	-	2,000	2,000	2,000
Borrowings	-	2,515	2,515	2,515
	-	<b>4,774</b>	<b>4,774</b>	<b>4,774</b>

#### Determination of Fair Values

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Cash and Cash Equivalents – at face value, as this approximates fair value (Level 1)

Trade and Other Receivables – at face value, after allowance for any assessed impairment, as this approximates fair value

Investments in Debt and Equity Securities – at market or, if no active market, at value assessed by management using a valuation technique and approved by directors.(Level 2)

Non-Derivative Financial Liabilities – at net present value.(Level 2)

Notwithstanding this there is no variation.

## 6 EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Employee Benefits Expense</b>				
Wages and Salaries	4,007	3,927	69	64
Other Personnel Expenses	167	103	-	-
<b>Total Employee Benefits Expense</b>	<b>4,174</b>	<b>4,030</b>	<b>69</b>	<b>64</b>

## 7 OTHER INCOME

	Group		Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Other Income</b>				
Dividends from Subsidiaries	-	-	400	600
Fees Charged to Subsidiaries	-	-	66	66
Gain on Sale on Property, Plant and Equipment	19	-	-	-
Change in Fair Value of Speirs Securities Limited	-	49	-	-
Establishment fee for Speirs Finance LP	1,000	-	1,000	-
Reimbursement of Costs in Relation to establishment of Speirs Finance LP	300	-	300	-
Less Costs in Relation to establishment of Speirs Finance LP	(303)	-	(303)	-
Distributions Received from Speirs Securitisation LP	-	-	260	-
Rental Income	100	98	-	-
Issue of Allied Farmers Limited Shares in Part Settlement of Debt Due	585	-	585	-
Mark to Market Gain on Holding of Allied Farmers Limited Shares	149	-	149	-
Operating Fees from Speirs Securities Limited	213	449	-	-
Other Income	103	93	15	10
<b>Total Other Income</b>	<b>2,166</b>	<b>689</b>	<b>2,472</b>	<b>676</b>

## 8 OTHER EXPENSES

	<i>Group</i>		<i>Company</i>	
	<b>2014</b>	<i>2013</i>	<b>2014</b>	<i>2013</i>
	<b>\$'000</b>	<i>\$'000</i>	<b>\$'000</b>	<i>\$'000</i>
<b>Other Expenses</b>				
Fees Paid to Auditors				
Statutory Audit of Financial Statements	<b>44</b>	55	<b>44</b>	55
Other Services	-	-	-	-
Directors Fees - Parent	<b>98</b>	98	<b>98</b>	98
Directors Fees – Subsidiaries	<b>64</b>	53	-	-
Bad Debts Written Off	<b>4</b>	31	-	-
Insurance	<b>304</b>	273	<b>28</b>	24
Impairment of Assets for Sale	<b>153</b>	-	<b>153</b>	-
Legal Fees	<b>188</b>	59	<b>188</b>	59
Change in Fair Value of Speirs Securities Limited	<b>48</b>	-	-	-
Refinancing Costs of Maturing Liabilities	<b>157</b>	-	<b>157</b>	-
Rental Expenditure	<b>35</b>	44	-	-
Other Expenses	<b>658</b>	538	<b>92</b>	80
<b>Total Other Expenses</b>	<b>1,753</b>	1,151	<b>760</b>	316

## 9 NET INTEREST INCOME/ (EXPENSE)

	<i>Group</i>		<i>Company</i>	
	<b>2014</b>	<i>2013</i>	<b>2014</b>	<i>2013</i>
	<b>\$'000</b>	<i>\$'000</i>	<b>\$'000</b>	<i>\$'000</i>
<b>Interest Income</b>				
Cash and Cash Equivalents	<b>5</b>	6	<b>2</b>	-
Loans and Advances	<b>46</b>	21	<b>66</b>	102
<b>Total Interest Income</b>	<b>51</b>	27	<b>68</b>	102
<b>Interest Expense</b>				
Borrowings				
Convertible Redeemable Preference Shares Dividends	<b>107</b>	231	<b>107</b>	231
Unwind of Discount on Convertible Redeemable Preference Shares	<b>57</b>	123	<b>57</b>	123
Redeemable Preference Shares Dividends	<b>159</b>	-	<b>159</b>	-
Amortisation of Issue Costs of Redeemable Preference Shares	<b>35</b>	-	<b>35</b>	-
Redeemable Preference Shares – Early Bird Interest	<b>7</b>	-	<b>7</b>	-
Secured Stock	<b>30</b>	119	<b>50</b>	200
Debtor Financing	<b>104</b>	-	-	-
Mortgage	<b>86</b>	53	-	-
On all other borrowings	<b>29</b>	14	<b>16</b>	-
<b>Total Interest Expense</b>	<b>614</b>	540	<b>431</b>	554
<b>Net Interest Income/(Expense)</b>	<b>(563)</b>	(513)	<b>(363)</b>	(452)

## 10 INCOME TAX EXPENSE

	<i>Group</i>		<i>Company</i>	
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Tax Expense</b>				
Current Tax	-	-	-	-
Deferred Tax Expense/(Benefit) – <b>Note 17</b>	-	-	-	-
<b>Income Tax Expense/(Benefit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	<i>Group</i>	
	<b>2014</b>	2013
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of Effective Tax Rate</b>		
Profit/(Loss) Before Income Tax	<b>2,019</b>	(622)
Income Tax at 28%	<b>565</b>	(174)
Loss/(Gain) on Associates	<b>(275)</b>	44
Non-deductible Expenses	<b>92</b>	28
Tax Exempt Income	<b>(205)</b>	-
Unrecognised Future Income Tax Benefit	<b>(177)</b>	102
	<b>-</b>	<b>-</b>

	<i>Company</i>	
	<b>2014</b>	2013
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of Effective Tax Rate</b>		
Profit/(Loss) Before Income Tax	<b>1,240</b>	(340)
Income Tax at 28%	<b>347</b>	(95)
Non-deductible Expenses	<b>104</b>	152
Tax Exempt Income	<b>(317)</b>	(168)
Tax Offsets/Allocations from Group Entities	<b>55</b>	(49)
Prior Year Adjustment	<b>560</b>	-
Unrecognised Future Income Tax Benefit	<b>(749)</b>	160
	<b>-</b>	<b>-</b>

	<i>Group and Company</i>	
	<b>2014</b>	2013
	<b>\$'000</b>	<b>\$'000</b>
<b>Imputation Credits</b>		
Imputation Credits at Beginning of Year	<b>3,697</b>	3,820
Imputation Credits Attached to Redeemable Preference Share , Convertible Redeemable Preference Share and Perpetual Preference Share Dividends Paid	<b>(127)</b>	(123)
<b>Imputation Credits at End of Year</b>	<b>3,570</b>	3,697

The imputation credits are available to shareholders of the Company through their shareholdings in the Company.

## 11 EARNINGS PER SHARE

### Basic and Diluted Profit/(Loss) per Share

	<i>Group</i>		<i>Company</i>	
	<b>2014</b> <b>\$'000</b>	<i>2013</i> <i>\$'000</i>	<b>2014</b> <b>\$'000</b>	<i>2013</i> <i>\$'000</i>
<b>Profit/(Loss) Attributable to Shareholders</b>				
Profit/(Loss) for the Year	<b>2,019</b>	(622)	<b>1,240</b>	(340)
Dividends Paid on Perpetual Preference Shares	<b>(61)</b>	(61)	<b>(61)</b>	(61)
<b>Profit/(Loss) for the Year Attributable to Shareholders</b>	<b>1,958</b>	(683)	<b>1,179</b>	(401)
			<i>Group and Company</i>	
			<b>2014</b> <b>'000</b>	<i>2013</i> <i>'000</i>
<b>Weighted Average Number of Ordinary Shares – Basic and Diluted</b>				
Issued Ordinary Shares at Beginning of the Year		<b>22</b>	<b>11,335</b>	<b>11,335</b>
Issued Ordinary Shares at End of the Year			<b>11,335</b>	<b>11,335</b>
<b>Weighted Average Number of Ordinary Shares at Period End – Basic and Diluted</b>			<b>11,335</b>	<b>11,335</b>

## 12 CASH AND CASH EQUIVALENTS

	<i>Group</i>		<i>Company</i>	
	<b>30 June</b> <b>2014</b> <b>\$'000</b>	<i>30 June</i> <i>2013</i> <i>\$'000</i>	<b>30 June</b> <b>2014</b> <b>\$'000</b>	<i>30 June</i> <i>2013</i> <i>\$'000</i>
<b>Cash and Cash Equivalents</b>				
Cash at Bank	<b>624</b>	263	<b>7</b>	62
Short Term Deposits – Call	<b>157</b>	163	<b>132</b>	100
<b>Total Cash &amp; Cash Equivalents</b>	<b>781</b>	426	<b>139</b>	162

All cash and cash equivalents are held in registered banks.

At 30 June 2014 and 30 June 2013 the Company has no overdraft facility.

## 13 TRADE AND OTHER RECEIVABLES

Group	30 June 2014		30 June 2013	
	Gross Amount \$'000	Carrying Amount \$'000	Gross Amount \$'000	Carrying Amount \$'000
<b>Trade and Other Receivables</b>				
Trade Receivables	1,454	1,454	1,193	1,193
Subordinated Debt in Speirs Securities Limited	57	57	422	422
GST Refund	-	-	21	21
Prepayments	138	138	239	239
<b>Total Trade and Other Receivables</b>	<b>1,649</b>	<b>1,649</b>	<b>1,875</b>	<b>1,875</b>
Current	1,649	1,649	1,453	1,453
Non Current	-	-	422	422
<b>Total</b>	<b>1,649</b>	<b>1,649</b>	<b>1,875</b>	<b>1,875</b>

The subordinated debt in Speirs Securities Limited represents Speirs Securitisation LP's interest in the subordinated debt issued by Speirs Securities Limited. Speirs Securities Limited's assets principally comprise finance receivables which are secured by way of a first charge over, predominantly, commercial motor vehicles.

Trade and Other Receivables are considered to be collectable in full. Accordingly, no allowance for impairment has been made.

Company	30 June 2014		30 June 2013	
	Gross Amount \$'000	Carrying Amount \$'000	Gross Amount \$'000	Carrying Amount \$'000
<b>Trade and Other Receivables</b>				
Receivables	105	105	-	-
Prepayments	67	67	177	177
<b>Total Trade and Other Receivables</b>	<b>172</b>	<b>172</b>	<b>177</b>	<b>177</b>
Current	172	172	177	177
Non Current	-	-	-	-
<b>Total</b>	<b>172</b>	<b>172</b>	<b>177</b>	<b>177</b>

Trade and Other Receivables are considered to be collectable in full. Accordingly, no allowance for impairment has been made.

## 14 INVENTORIES (Group Only)

	Group	
	30 June 2014 \$'000	30 June 2013 \$'000
<b>Inventories</b>		
Raw Materials and Consumables	360	331
Finished Goods	53	44
<b>Total</b>	<b>413</b>	<b>375</b>

No inventory is subject to retention of title clauses.

## 15 ASSOCIATE ENTITIES

### Overall Summary

	<i>Group</i>	
	<b>30 June 2014 \$'000</b>	<b>30 June 2013 \$'000</b>
<b>Investments Equity Accounted</b>		
Share of Rosa Foods Limited	475	441
Share of Speirs Nutritionals Partners LP	12	100
Share of Advaro Financial Services Limited	1,061	-
	<b>1,547</b>	<b>541</b>
<b>Share of Profit/(Loss) and Gain on Acquisition of Associates</b>		
	<b>30 June 2014 \$'000</b>	<b>30 June 2013 \$'000</b>
Share of Profit/(Loss) of Rosa Foods Limited	34	24
Share of Profit/(Loss) of Speirs Nutritionals Partners LP	(40)	(184)
Net Gain on Acquisition of Advaro Financial Services Limited	1,061	-
	<b>1,055</b>	<b>(160)</b>
	<i>Company</i>	
<b>Investments in Associates</b>		
	<b>30 June 2014 \$'000</b>	<b>30 June 2013 \$'000</b>
Investment in Rosa Foods Limited	500	500
Investment in Speirs Nutritionals Partners LP	4,050	4,098
Less Impairment to Investment – Speirs Nutritionals Partners LP	(4,038)	(3,998)
	<b>512</b>	<b>600</b>

During the year ended 30 June 2011 Speirs Nutritionals Partners LP sold their know how and Intellectual Property to a UK based company who will use these assets to manufacture and distribute Omega -3 products. Due to the lack of certainty regarding future income streams from this activity, the directors have decided to impair the investment the Company holds in Speirs Nutritionals Partners LP to an amount equivalent to the Company's share of the net assets of Speirs Nutritionals Partners LP.

#### **(a) Rosa Foods Limited**

On 1 April 2008 the Company purchased 40% of the ordinary shares of Rosa Foods Limited ("Rosa"). Rosa is a Wellington based food manufacturer providing prepared meal products to the supermarket chains. Rosa has a reporting date of 31 March. Financial information for Rosa has been extracted from unaudited management accounts for the period ended 30 June 2014. The Company did not receive a dividend on ordinary shares from Rosa during the year ended 30 June 2014.

	<i>Group</i>	
	<b>30 June 2014 \$'000</b>	<b>30 June 2013 \$'000</b>
Opening Balance	441	417
Share of surplus/(deficit) after tax of associate	34	24
Closing Balance	<b>475</b>	<b>441</b>



At 30 June the statement of financial position of Rosa was as follows:

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Current Assets	753	511
Goodwill	495	495
Property Plant and Equipment	478	448
Total Assets	<b>1,726</b>	1,454
Current Liabilities	546	412
Non Current Liabilities	100	49
Total Liabilities	<b>646</b>	461
Net Assets	<b>1,080</b>	993

**(b) Speirs Nutritionals Partners LP**

On 1 February 2010 the Company acquired a 59.61% interest in Speirs Nutritionals Partners LP ("SNPLP") in return for selling the Company's shares in Speirs Nutritionals Limited following a restructuring of the entities within the Group. SNPLP is a Limited Partnership which was formed when Speirs Nutritionals trading entity was changed from that of a company to that of a Limited Partnership. During the year ended 30 June 2011 Speirs Group Limited increased its interest in SNPLP from 59.61% to 60.657%. Financial information for SNPLP has been extracted from unaudited management accounts for the year ended 30 June 2014. SNPLP is not accounted for as a subsidiary as Speirs Group (under the terms of the underlying Partnership Agreement) does not have control of SNPLP. It does, however, have significant influence.

	<i>Group</i>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Share of surplus/(deficit) of associate	<b>(40)</b>	<b>(184)</b>
Taxation expense	-	-
Share of deficit after tax of associate	<b>(40)</b>	<b>(184)</b>
Less share of dividends received	<b>(48)</b>	-
Net addition/(deletion) to the investment carrying value	<b>(88)</b>	<b>(184)</b>
Prior Year Balance Brought Forward	<b>100</b>	<b>284</b>
	<b>12</b>	<b>100</b>

At 30 June the statement of financial position of SNPLP was as follows:

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Current Assets	71	254
Total Assets	<b>71</b>	254
Current Liabilities	51	89
Total Liabilities	<b>51</b>	89
Net Assets	<b>20</b>	165
Speirs Group Share (60.657%)	<b>12</b>	100

**(c) Advaro Financial Services Limited**

As a result of a series of transactions during the year ended 30 June 2014 (and advised to shareholders by way of PreBreak announcements to the NZX) Speirs Investments Limited Partnership (a wholly owned subsidiary of Speirs Group Limited) acquired an 11.76% interest in Advaro Financial Services Limited ("Advaro"). Advaro is involved in a number of activities in the finance sector in New Zealand. Financial information for Advaro has been extracted from Advaro's unaudited management accounts for the period ended 30 June 2014. As Speirs Group has the right to appoint a director to the Board of Advaro, it has significant influence in Advaro. For this reason Advaro is treated as an associate entity.

	<b>2014</b>
	<b>\$'000</b>
Gain on Acquisition	1,667
Impairment of Goodwill post acquisition	(324)
Share of deficit since acquisition	(282)
Less share of dividends received	-
Net addition/(deletion) to the investment carrying value	1,061
Prior Year Balance Brought Forward	-
	<b>1,061</b>

At 30 June the statement of consolidated financial position of Advaro was as follows:

	<b>2014</b>
	<b>\$'000</b>
Current Assets	5,124
Finance Receivables	46,971
Plant and Equipment	414
Intangible Assets	4,259
Total Assets	56,768
Current Liabilities	747
Funding Lines	33,681
Term Liabilities	13,317
Total Liabilities	47,745
Net Assets	9,023
Speirs Share (11.76%)	1,061

## 16 LOANS , ADVANCES AND INVESTMENTS

	<i>Group</i>		<i>Company</i>	
	<i>30 June</i> <i>2014</i> <i>\$'000</i>	<i>30 June</i> <i>2013</i> <i>\$'000</i>	<i>30 June</i> <i>2014</i> <i>\$'000</i>	<i>30 June</i> <i>2013</i> <i>\$'000</i>
Loan to Speirs Securitisation LP	-	-	-	44
Speirs Investments Limited Unsecured Stock	-	-	-	810
Subordinated Debt in Speirs Finance (NZ) LP	<b>1,000</b>	-	<b>1,000</b>	-
Shares in Allied Farmers Limited	<b>734</b>	-	<b>734</b>	-
Allied Farmers Debt Owing	<b>500</b>	-	<b>500</b>	-
NFA Limited (In Liquidation) Perpetual Bonds	-	2,000	-	-
	<b>2,234</b>	2,000	<b>2,234</b>	854
Provision for Impairment	<b>(500)</b>	(2,000)	<b>(500)</b>	-
	<b>1,734</b>	-	<b>1,734</b>	854
Current	-	-	-	810
Non-Current	<b>1,734</b>	-	<b>1,734</b>	44
	<b>1,734</b>	-	<b>1,734</b>	854

### Subordinated Debt in Speirs Finance (NZ) LP

As part of the establishment of the business of Advaro Financial Services Limited, Speirs Group Limited was required to invest the \$1million establishment fee it received in relation to this transaction into subordinated debt of a wholly owned subsidiary of Advaro Financial Services Limited, Speirs Finance (NZ) LP. The investment is subordinated to all other liabilities of Speirs Finance (NZ) LP and, so long as Speirs Finance (NZ) LP is not in default bears a minimum interest rate of 10.00% per annum, payable (in arrears) on a monthly basis. The interest rate has a reset mechanism which is tied to market interest rates.

### Owing from Allied Farmers Limited/NFA Limited (In Liquidation) Perpetual Bonds

The Company sold its finance division to Allied Farmers Limited on 30 September 2008. As part consideration the Company received 2,000,000 \$1 Subordinated Perpetual Bonds in Allied Nationwide Finance Limited, now NFA Limited (In Liquidation). Those Perpetual Bonds ("The Bonds") have a par value of \$1.00 per bond.

Speirs Group held a put option over these bonds which enabled the sale of the bonds to Allied Farmers on 30 September 2013 for a cash consideration of \$2 million. This put option was exercised on 30 September 2013.

In December 2013 Speirs Group Limited entered into an agreement with Allied Farmers Limited in relation to the debt owing.

The key terms of the agreement are:

- Allied Farmers Limited issued 14,678,487 new ordinary shares to Speirs Group Limited in January 2014. These shares rank equally in terms of rights, entitlement and voting with existing ordinary shares in Allied Farmers Limited. The shares are valued at their market value, less an allowance for disposal costs; and
- On or before 30 April 2016 (or earlier if Allied Farmers Limited is able to make the required payment), Allied Farmers Limited agrees to pay to Speirs Group Limited \$500,000 in cash.

### Loan to Speirs Securitisation LP

The Company had a loan to Speirs Securitisation LP. The facility was unsecured and was on an "on call" basis.

## 17 DEFERRED INCOME TAX ASSET

### Unrecognised Deferred Tax Assets

The Group has a deferred tax asset of \$7,818,140 (2013: \$7,995,382) which has not been recognised. The asset not recognised is principally composed of tax losses which would require taxable profit to realise them in excess of that which can be reliably estimated in the medium term.

The Company has a deferred tax asset of \$7,660,612 (2013: \$8,409,949) which has not been recognised. The asset not recognised is principally composed of tax losses which would require taxable profit to realise them in excess of that which can be reliably estimated in the medium term.

## 18 PROPERTY, PLANT AND EQUIPMENT (Group Only)

	Land \$'000	Buildings \$'000	Computer Equipment \$'000	Vehicles \$'000	Other Plant & Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
<b>Cost</b>							
<b>Balance at 1 July 2012</b>	80	2,806	912	385	4,235	12	8,430
Additions	-	36	4	17	91	1	149
Disposals / Transfers	-	-	-	-	(112)	-	(112)
Reclassification to Assets held for Sale	(80)	(2,842)	-	-	-	-	(2,922)
<b>Balance at 30 June 2013</b>	-	-	916	402	4,214	13	5,545
Additions	-	17	32	-	51	88	188
Disposals / Transfers	-	-	-	(84)	-	-	(84)
Reclassification from Assets held for Sale	80	2,842	-	-	-	-	2,922
<b>Balance at 30 June 2014</b>	80	2,859	948	318	4,265	101	8,571
<b>Depreciation and Impairment Losses</b>							
<b>Balance at 1 July 2012</b>	-	602	736	310	3,381	-	5,029
Depreciation for the Year	-	121	48	25	181	-	375
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	(112)	-	(112)
Reclassification to Assets held for Sale	-	(723)	-	-	-	-	(723)
<b>Balance at 30 June 2013</b>	-	-	784	335	3,450	-	4,569
Depreciation for the Year	-	122	48	22	176	-	368
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	(74)	-	-	(74)
Reclassification from Assets held for Sale	-	723	-	-	-	-	723
<b>Balance at 30 June 2014</b>	-	845	832	283	3,626	-	5,586
<b>Carrying Amounts</b>							
At 1 July 2012	80	2,204	176	75	854	12	3,401
At 30 June 2013	-	-	132	67	764	13	976
<b>At 30 June 2014</b>	80	2,014	116	35	639	101	2,985

All assets are used for food processing purposes.

## 19 INTANGIBLE ASSETS (Group Only)

	30 June 2014 Purchased Software \$'000	30 June 2013 Purchased Software \$'000
<b>Cost</b>		
Balance at Beginning of Year	164	164
Additions	-	-
Disposals	-	-
<b>Balance at End of Year</b>	<b>164</b>	<b>164</b>
<b>Amortisation and Impairment Losses</b>		
Balance at Beginning of Year	158	147
Amortisation for the Year	6	11
Disposals	-	-
<b>Balance at End of Year</b>	<b>164</b>	<b>158</b>
<b>Carrying Amounts</b>		
At Beginning of Year	6	17
At End of Year	-	6

## 20 TRADE AND OTHER PAYABLES

	<i>Group</i>		<i>Company</i>	
	<b>30 June 2014 \$'000</b>	<i>30 June 2013 \$'000</i>	<b>30 June 2014 \$'000</b>	<i>30 June 2013 \$'000</i>
<b>Trade and Other Payables</b>				
Trade Payables	1,538	1,526	8	74
Owing to Speirs Foods	-	-	1,333	51
Provisions	5	5	-	-
Other Payables and Accrued Expenses	601	558	88	134
	<b>2,144</b>	<b>2,089</b>	<b>1,429</b>	<b>259</b>

## 21 BORROWINGS

	<i>Group</i>		<i>Company</i>	
	<b>30 June 2014 \$'000</b>	<i>30 June 2013 \$'000</i>	<b>30 June 2014 \$'000</b>	<i>30 June 2013 \$'000</i>
<b>Borrowings</b>				
Secured Stock – Speirs Funding Limited	-	1,190	-	-
Debtor Financing Facility	685	-	-	-
Mortgage Facility	1,193	655	-	-
Convertible Redeemable Preference Shares	-	2,515	-	2,515
Redeemable Preference Shares	2,930	-	2,930	-
	<b>4,808</b>	<b>4,360</b>	<b>2,930</b>	<b>2,515</b>
Current	685	3,705	-	2,515
Non-Current	4,123	655	2,930	-
	<b>4,808</b>	<b>4,360</b>	<b>2,930</b>	<b>2,515</b>

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

	<i>Group</i>		<i>Company</i>	
	<b>30 June 2014</b>	<i>30 June 2013</i>	<b>30 June 2014</b>	<i>30 June 2013</i>
	<b>%</b>	<i>%</i>	<b>%</b>	<i>%</i>
<b>Borrowings</b>				
Secured Stock – Speirs Funding Limited	-	10.00%	-	-
Debtor Financing Facility	<b>12.00%</b>	-	-	-
Mortgage Facility	<b>8.25%</b>	8.25%	-	-
Convertible Redeemable Preference Shares	-	9.00%	-	9.00%
Redeemable Preference Shares	<b>9.00%</b>	9.00%	<b>9.00%</b>	-

## Secured Stock – Speirs Funding Limited

This liability of Speirs Funding Limited (previously named Speirs Investments Limited) was fully settled by investors exchanging their Secured Stock for the new issue of Redeemable Preference Shares (see below) on 30 September 2013 or being repaid in cash on 2 October 2013. The secured stock was secured under the Terms of the Trust Deed dated 20 July 2009 between Speirs Investments Limited and Perpetual Trust Limited. The secured stock matured on 2 October 2013. The interest rate on the secured stock was reset annually on the 30th of September at the greater of 10.00% or the one year swap rate plus 4.50%.

## Debtor Financing

During the year ended 30 June 2014 Speirs Foods Limited entered into a debtor financing arrangement. The financing is secured by a first ranking charge over the assets and undertakings of Speirs Foods Limited and an unsecured guarantee from Speirs Group Limited. . The facility was entered into on 3 December 2013 and has a minimum non-cancellable period of 270 days. After 270 days has elapsed: (i) the Company has the right (after giving 90 days notice to the financier) to terminate the facility; (ii) the financier has the right (after giving 30 days notice to the Company) to terminate the facility.

## Mortgage Facility

Speirs Foods Limited has a mortgage funding facility for up to \$1,200,000. The facility has a maturity date of 10 July 2016. The facility is secured by a first mortgage over the properties owned by Speirs Foods Limited, along with a second ranking charge over the assets and undertakings of Speirs Foods Limited and an unsecured guarantee from Speirs Group Limited.

## Convertible Redeemable Preference Shares

This liability was fully settled by investors exchanging their Convertible Redeemable Preference Shares for the new issue of Redeemable Preference Shares (see below) on 16 December 2013 or being repaid in cash on 16 December 2013. During the year ended 30 June 2010 3,250,000 convertible redeemable preference shares were issued at \$1 each. The convertible redeemable preference shares had a redemption date of 16 December 2013. At the redemption date the holders of the convertible redeemable preference shares had the option in redeeming their shares in cash (on a \$ for \$ basis) or converting the convertible redeemable preference shares to ordinary shares in the company at a ratio of 3 ordinary shares for every 2 convertible redeemable preference shares held. The convertible redeemable preference shares ranked behind all other liabilities of the company but ahead of ordinary and perpetual preference shareholders.

## Redeemable Preference Shares

During the year ended 30 June 2014 2,929,632 redeemable preference shares were issued at \$1 each. The redeemable preference shares have a scheduled redemption date of 30 September 2017, although the company has the right to redeem at any time before the scheduled redemption date. The redeemable preference shares rank behind all other liabilities of the company but ahead of ordinary and perpetual preference shareholders. Until 30 June 2014 the dividend rate will be 9.00% per annum. From 30 June 2014 the dividend rate will be reset annually (on 30 June) and will be the greater of 9.00% or the then one year swap rate plus 4.50%. On 30 June 2014 the dividend rate was reset to 9.00%

## 22 CONTRIBUTED CAPITAL

### Group and Company

	<b>30 June 2014 \$'000</b>	<b>30 June 2013 \$'000</b>
Balance at 1 July	13,391	13,391
Redemption of Equity Element of Convertible Redeemable Preference Shares	(466)	-
<b>Balance at Year End</b>	<b>12,925</b>	<b>13,391</b>

The Company issued Convertible Redeemable Preference Shares during the year ended 30 June 2010 (see Note 21). Under NZ IFRS such instruments are required to be discounted using an appropriate discount rate for instruments of similar risk. Any variance between the discounted cash flow calculation and the carrying value is accounted for as a component of Contributed Capital.

### Group and Company

	Ordinary Shares	
	<b>30 June 2014 '000</b>	<b>30 June 2013 '000</b>
Number of Shares on issue at 1 July	11,335	11,335
<b>Number of Shares on issue at Period End</b>	<b>11,335</b>	<b>11,335</b>

The total authorised number of ordinary shares is **11,334,576** (30 June 2013: 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

### Group and Company

	Perpetual Preference Shares	
	<b>30 June 2014 '000</b>	<b>30 June 2013 '000</b>
Number of Shares on issue at 1 July	679	679
<b>Number of Shares on issue at Period End</b>	<b>679</b>	<b>679</b>

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.

<b>Issue price</b>	\$1.00 each.
<b>Dividends payable by the Company</b>	Dividends are only payable if authorised by the Board. If authorised, dividends are payable at the higher of: <ul style="list-style-type: none"> <li>(a) 9% per annum; and</li> <li>(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%.</li> </ul> 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.
<b>Ranking in respect of dividends</b>	Behind the dividends payable on the CRPS, 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.
<b>When redeemable</b>	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).
<b>Redemption amount payable by the Company</b>	\$1.00 plus any authorised but unpaid dividends.

<b>When convertible</b>	Convertible at the election of the holder between 5 and 10 years from the date of issue (i.e. between 2017 and 2022).
<b>Rate of conversion</b>	1 PPS converts into 8 ordinary shares in the Company.
<b>Ranking in liquidation</b>	Behind the creditors of the Company, behind the CRPS holders, but ahead of ordinary shareholders and any other holders of shares that are expressed to rank behind the CRPS.

#### Dividends

The following dividends were declared and paid by the Company:

	<b>30 June 2014 '000</b>	<b>30 June 2013 '000</b>
\$0.00 per Qualifying Ordinary Share (30 June 2013: \$0.00)	-	-
9.0c per Qualifying Perpetual Preference Share (30 June 2013: \$0.00)	<b>61</b>	<b>61</b>

## 23 RECONCILIATION OF PROFIT/ (LOSS) AFTER TAX FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	<i>Group</i>		<i>Company</i>	
	<b>30 June 2014 \$'000</b>	<b>30 June 2013 \$'000</b>	<b>30 June 2014 \$'000</b>	<b>30 June 2013 \$'000</b>
<b>Reconciliation of Profit/(Loss) After Tax for the Year to Net Cash from Operating Activities</b>				
Profit/(Loss) for the Year	<b>2,019</b>	(622)	<b>1,240</b>	(340)
<b>Adjustments for Non-Cash Items:</b>				
Depreciation and Impairment on Property, Plant and Equipment	<b>368</b>	375	-	-
Amortisation of Intangible Assets	<b>6</b>	11	-	-
Impairment of Assets Held for Sale	<b>153</b>	-	<b>153</b>	-
Issue of Allied Farmers Limited Shares	<b>(585)</b>	-	<b>(585)</b>	-
Mark to Market Gain on Allied Farmers Limited Shares	<b>(149)</b>	-	<b>(149)</b>	-
Bad Debts Written-off	<b>4</b>	31	-	-
Non Cash Loss on Speirs Securities Limited	<b>48</b>	-	-	-
Share of Associates (Gains)/ Losses	<b>(1,055)</b>	160	-	-
Impairment Loss on Associate	-	-	<b>40</b>	184
Unwind of Discount on Convertible Redeemable Preference Shares	<b>57</b>	124	<b>57</b>	124
(Gain) / Loss on Sale of Property Plant and Equipment	<b>(19)</b>	-	-	-
	<b>847</b>	79	<b>756</b>	(32)
<b>Movement in Other Working Capital Items:</b>				
Change in Inventories	<b>(38)</b>	1	-	-
Change in Trade and Other Receivables	<b>(47)</b>	(279)	<b>101</b>	(140)
Change in Trade and Other Payables	<b>56</b>	225	<b>324</b>	258
<b>Net Cash From Operating Activities</b>	<b>818</b>	26	<b>1,181</b>	86

## 24 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 comprised:

	<i>Group</i>		<i>Company</i>	
	<b>30 June 2014 \$'000</b>	<b>30 June 2013 \$'000</b>	<b>30 June 2014 \$'000</b>	<b>30 June 2013 \$'000</b>
Short-Term Employee Benefits	<b>431</b>	415	<b>69</b>	64
Termination Benefits	-	-	-	-
	<b>431</b>	415	<b>69</b>	64



#### *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.

There were no material transactions or outstanding balances relating to key management personnel.

Entities with which Speirs Group Limited is deemed to be related are: Speirs Foods Limited (a wholly owned subsidiary), Speirs Funding Limited (a wholly owned subsidiary until its removal from the Register of Companies in May 2014), Speirs Nutritionals Partners LP (a Limited partnership in which Speirs Group has a 60.57% interest), Speirs Securitisation LP (a Limited Partnership in which Speirs Group Limited is the sole Limited Partner), Speirs Investments LP (a Limited Partnership in which Speirs Group Limited is the sole Limited Partner), Advaro Financial Services Limited and its subsidiaries (a company in which Speirs Group Limited holds 11.76% of the shares on issue) and Rosa Foods Limited (a company in which Speirs Group Limited has a 40% interest).

Transactions for the year ended 30 June 2014 with related parties are summarised below:

- **Speirs Foods Limited**
  - Speirs Group Limited received a dividend of \$400,000 (2013: \$600,000) from Speirs Foods Limited.
  - Speirs Group Limited charged Speirs Foods Limited \$66,000 (2013: \$66,000) in respect of corporate services provided by Speirs Group Limited.
  - Speirs Group Limited acquired a piece of equipment (for sale to a third party) from Speirs Foods Limited for \$250,000.
  - At 30 June 2014 Speirs Group Limited owed \$1,332,505 (2013: \$50,977) to Speirs Foods Limited.
- **Speirs Funding Limited**
  - Speirs Group Limited paid Speirs Funding Limited \$50,000 (2013: \$200,000) in relation to an interest guarantee on secured and unsecured stock issued by Speirs Investments Limited. At 30 June 2014 the amount of the guarantee was \$Nil (2013:\$2,000,000).
  - Speirs Group Limited received \$20,250 (2013: \$81,000) from Speirs Funding Limited in relation to interest on unsecured stock held by Speirs Group and issued by Speirs Funding Limited. At 30 June 2014 the balance of the unsecured stock was \$Nil (2013: \$810,000.)
- **Rosa Foods Limited**
  - Speirs Group Limited received a dividend on preference shares for \$10,000 (2013: \$10,000) from Rosa Foods Limited. At 30 June 2014 and 2013 the balance of the preference shares was \$100,000.
  - Speirs Foods Limited charged Rosa Foods Limited \$360,078 (2013: \$290,394) for freight and marketing services provided. At 30 June 2014 the balance owing by Rosa Foods Limited was \$108,743 (2013: \$56,734).
- **Speirs Nutritionals Partners LP**
  - Speirs Foods Limited charged rent and other services to Speirs Nutritionals Partners LP. The rental and other service charge was \$3,282 (2013: \$3,282). At 30 June 2014 the amount owing from Speirs Nutritionals Partners LP was \$Nil (2013:\$3,282).
  - Speirs Group Limited provided funding to Speirs Nutritionals Partners LP by way of a term loan facility. The interest charge on the credit facility was \$Nil (2013: \$21,000). At 30 June 2014 and 2013 the outstanding balance of the credit facility was \$Nil. This loan was forgiven by Speirs Group Limited as part of the acquisition of a piece of plant from Speirs Nutritionals Partners LP by Speirs Foods Limited (see below).
  - In the 2013 year Speirs Foods Limited was charged \$250,000 (plus GST, \$287,500 inclusive) by Speirs Nutritionals Partners LP for the acquisition of a piece of plant and equipment. \$200,000 of this balance was paid for by Speirs Group Limited forgiving a \$200,000 loan to Speirs Nutritionals Partners LP. The balance, \$87,500, was paid by Speirs Foods Limited in the 2014 year.
- **Speirs Securitisation LP**
  - Speirs Group Limited provided a credit facility of \$Nil (2013: \$44,000) to Speirs Securitisation LP.
- **Speirs Investments LP**
  - Speirs Group Limited subscribed for \$100 of Partnership equity.

- **Advaro Financial Services Limited and its subsidiaries**
  - Speirs Group Limited received \$1,300,000 by way of establishment fees and setup cost reimbursement, know-how and systems.
  - Speirs Group Limited invested \$1,000,000 by way of subordinated debt into a wholly owned subsidiary of Advaro Financial Services Limited
  - Speirs Group Limited received \$45,548 of interest on the subordinated debt. At 30 June 2014 the amount of unpaid interest owing was \$8,333.

All interest and fees charged to related parties have been charged at fair market rates

From time to time directors of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

## 25 CAPITAL COMMITMENTS AND CONTINGENCIES

### **Commitments**

The Group and Company were committed to capital expenditure of \$102,503 for the year ended 30 June 2014 (30 June 2013: \$Nil)

### **Contingent Liabilities**

At 30 June 2014 the Group and Company had no contingent liabilities (2013: Same)

## 26 EVENTS AFTER THE REPORTING PERIOD

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

## 27 FINANCIAL RISK MANAGEMENT

### **Introduction and Overview**

The Group had exposure to the following risks arising from its use of financial instruments:

- Credit risks
- Liquidity risks
- Market risks

The Group manages raw material price risks through negotiated supply contracts. However, these contracts are for the purpose of receipt in accordance with the Group's expected usage requirements only and, accordingly, are not accounted for as financial instruments.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of Capital.

#### *Risk Management Framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Risk management is carried out and monitored by the senior management team under policies approved by the Board of Directors. Management identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management.

### **Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances and investment securities. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure.

#### *Management of Credit Risk*

The Board of Directors are responsible for the approval of credit risk policy. Senior management is responsible for the management and oversight of the credit risk policy established by the Board of Directors.

All members of the group are required to implement Group credit policies and procedures, with credit approval delegated from senior Management. Each business unit has a Senior Executive who reports on all credit related matters to the Board of Directors. Each business unit is responsible for the quality and performance of its credit portfolio and for the monitoring and controlling of all credit risks in its portfolios.

*Exposure to Credit Risk*

The Group and Company have no 'off-balance sheet' liabilities. The maximum credit risk is the amount represented on the statement of financial position. Financial Assets which subject the Group and Company to credit risks consist of:

	<i>Group</i>		<i>Company</i>	
	<i>June</i>	<i>June</i>	<i>June</i>	<i>June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Cash and Cash Equivalents	781	426	139	162
Trade and Other Receivables	1,511	1,615	105	-
Loans and Advances	1,000	-	1,000	854

The following categories are not impaired, contain no past due balances, nor contain any impairment allowances: cash and cash equivalents. A summary of impaired assets, past due assets, and allowances for impairment with respect to loans and advances to customers and trade and other receivables is set out below:

<b>Group</b>	<b>Loans and Advances</b>		<b>Trade and Other Receivables</b>	
	<i>June</i>	<i>June</i>	<i>June</i>	<i>June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Carrying Amount	1,000	-	1,649	1,875
Past Due but not Impaired	-	-	14	3
Neither Past Due nor Impaired	1,000	-	1,635	1,872
Allied Farmers Limited Debt Due	500	-	-	-
Allied Nationwide Finance Limited Perpetual Bonds	-	2,000	-	-
Impairment Provision	(500)	(2,000)	-	-
Total Carrying Amount	-	-	1,649	1,875

Trade and other receivables totalling \$14,488 (2013: \$3,036) are greater than 90 days overdue but are considered collectable and are not impaired.

<b>Company</b>	<b>Loans and Advances</b>		<b>Trade and Other Receivables</b>	
	<i>June</i>	<i>June</i>	<i>June</i>	<i>June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Carrying Amount	1,000	854	105	-
Past Due but not Impaired	-	-	-	-
Neither Past Due nor Impaired	1,000	854	105	-
Allied Farmers Limited Debt Due	500	-	-	-
Impairment Provision	(500)	-	-	-
Total Carrying Amount	1,000	854	105	-

Trade and other receivables totalling \$Nil (2013: \$Nil) are greater than 90 days overdue but are considered collectable and are not impaired.

### Concentrations of Credit Risk

Concentration of credit risks arises where monetary assets are invested with a particular individual customer or in a particular industrial or geographic sector.

The Group has a concentration of credit risk in relation to trade receivables as 84% of total sales are made to two customers.

The Group manages concentration of credit risk by placing restrictions on the maximum amounts which may be deposited with a Registered Bank and ensuring that payments received from trade customers are made within prearranged payment parameters.

### Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities.

#### Management of Liquidity Risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group mitigates its liquidity risk through the holding of liquid cash reserves and by having supporting credit lines.

The Group has a first mortgage term finance facility of up to \$1,200,000 secured on Group owned real estate and a debtor financing facility. See Note 21.

#### Exposure to Liquidity Risk

The following tables set out the contractual cash flows for all financial assets and liabilities and derivatives that are settled on a gross cash flow basis:

Group 2014	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Assets</i>								
Cash and Cash Equivalents	781	781	781	-	-	-	-	-
Loans and Advances	1,000	1,500	-	25	25	50	100	1,300
Trade and Other Receivables	1,649	1,734	-	1,649	-	-	-	-
<b>Total</b>	<b>3,430</b>	<b>3,930</b>	<b>781</b>	<b>1,674</b>	<b>25</b>	<b>50</b>	<b>100</b>	<b>1,300</b>

Group 2014	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Liabilities</i>								
Trade and Other Payables	2,144	2,144	-	2,144	-	-	-	-
Borrowings	4,808	5,947	-	111	111	222	1,048	4,455
<b>Total</b>	<b>6,952</b>	<b>8,091</b>	<b>-</b>	<b>2,255</b>	<b>111</b>	<b>222</b>	<b>1,048</b>	<b>4,455</b>

Group 2013	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Assets</i>								
Cash and Cash Equivalents	426	426	426	-	-	-	-	-
Trade and Other Receivables	1,875	1,875	-	1,875	-	-	-	-
<b>Total</b>	<b>2,301</b>	<b>2,301</b>	<b>426</b>	<b>1,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Group 2013**

	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Liabilities</i>								
Trade and Other Payables	2,089	2,089	-	2,089	-	-	-	-
Borrowings	4,360	4,549	-	100	3,765	27	657	-
<b>Total</b>	<b>6,449</b>	<b>6,638</b>	<b>-</b>	<b>2,189</b>	<b>3,765</b>	<b>27</b>	<b>657</b>	<b>-</b>

**Company 2014**

	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Assets</i>								
Cash and Cash Equivalents	139	139	139	-	-	-	-	-
Loans and Advances	1,000	1,500	-	25	25	50	100	1,300
<b>Total</b>	<b>1,139</b>	<b>1,639</b>	<b>139</b>	<b>25</b>	<b>25</b>	<b>50</b>	<b>100</b>	<b>1,300</b>

**Company 2014**

	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Liabilities</i>								
Trade and Other Payables	1,429	1,429	1,333	96	-	-	-	-
Borrowings	2,930	3,787	-	66	66	132	264	3,259
<b>Total</b>	<b>4,359</b>	<b>5,216</b>	<b>1,333</b>	<b>162</b>	<b>66</b>	<b>132</b>	<b>264</b>	<b>3,259</b>

**Company 2013**

	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Assets</i>								
Cash and Cash Equivalents	162	162	162	-	-	-	-	-
Loans and Advances	854	875	44	20	811	-	-	-
<b>Total</b>	<b>1,016</b>	<b>1,037</b>	<b>206</b>	<b>20</b>	<b>811</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Company 2013**

	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Liabilities</i>								
Trade and Other Payables	259	259	259	-	-	-	-	-
Borrowings	2,515	2,618	-	57	2,561	-	-	-
Guarantee to Speirs Investments Limited	2,000	2,051	-	50	2,001	-	-	-
<b>Total</b>	<b>4,774</b>	<b>4,928</b>	<b>259</b>	<b>107</b>	<b>4,562</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Group and Company had no contractual cash flows with respect to financial liabilities going out beyond 5 years.

The above tables show the undiscounted cash flows of the Group and Company's financial liabilities on the basis of their earliest possible contractual maturity.

### Market Risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor / issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return on risk.

#### Management of Market Risk

Equity price risk and credit spread risk (not relating to the obligor / issuer's credit standing) are not monitored by management as they are not currently significant in relation to the overall results and financial position of the Group.

#### Exposure to Interest Rate Risk

Interest rate margin risk arises as a result of mismatches between the repricing dates of advances and debt securities.

The interest rate gap position is calculated based on the earlier of the underlying instruments' maturity date or repricing date. A summary of the interest rate gap positions is as follows:

Group 2014	Carrying	Non-Interest	Less than	3-6	6-12	1-2 Years	2-5 Years
	Amount	Bearing	3 Months	Months	Months		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	781	624	157	-	-	-	-
Loans and Advances	1,000	-	-	-	1,000	-	-
	<b>1,781</b>	<b>624</b>	<b>157</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
Borrowings	4,808	-	-	685	-	-	4,123
	4,808	-	-	685	-	-	4,123
	<b>(3,027)</b>	<b>624</b>	<b>157</b>	<b>(685)</b>	<b>1,000</b>	<b>-</b>	<b>(4,123)</b>
Group 2013	Carrying	Non-Interest	Less than	3-6	6-12	1-2 Years	2-5 Years
	Amount	Bearing	3 Months	Months	Months		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	426	263	163	-	-	-	-
	<b>426</b>	<b>263</b>	<b>163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowings	4,360	-	-	3,705	-	655	-
	4,360	-	-	3,705	-	655	-
	<b>(3,934)</b>	<b>263</b>	<b>163</b>	<b>(3,705)</b>	<b>-</b>	<b>(655)</b>	<b>-</b>
Company 2014	Carrying	Non-Interest	Less than	3-6	6-12	1-2 Years	2-5 Years
	Amount	Bearing	3 Months	Months	Months		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	139	7	132	-	-	-	-
Loans and Advances	1,000	-	-	-	1,000	-	-
	<b>1,139</b>	<b>7</b>	<b>132</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
Borrowings	2,930	-	-	-	2,930	-	-
	<b>(1,791)</b>	<b>7</b>	<b>132</b>	<b>-</b>	<b>(1,930)</b>	<b>-</b>	<b>-</b>

Company 2013	Carrying Amount \$'000	Non-Interest Bearing \$'000	Less than 3 Months \$'000	3-6 Months \$'000	6-12 Months \$'000	1-2 Years \$'000	2-5 Years \$'000
Cash and Cash Equivalents	162	62	100	-	-	-	-
Loans and Advances	854	-	44	810	-	-	-
	<b>1,016</b>	<b>62</b>	<b>144</b>	<b>810</b>	-	-	-
Borrowings	2,515	-	-	2,515	-	-	-
Guarantee to Speirs Investments Limited	2,000	-	-	2,000	-	-	-
	<b>4,515</b>	-	-	<b>4,515</b>	-	-	-
	<b>(3,499)</b>	<b>62</b>	<b>144</b>	<b>(3,705)</b>	-	-	-

The Group and Company had no contractual cash flows with respect to financial assets going out beyond 5 years.

### Capital Management

The Group's capital includes share capital and accumulated deficits.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. To achieve this the Directors and management monitor such matters as profitability and capital held on a monthly basis.

The Group's equity at the reporting dates comprises:

	30 June 2014 \$'000	30 June 2013 \$'000
Contributed Equity	12,925	13,391
Accumulated Deficits	(10,678)	(13,702)
<b>Total Equity Balance at Period End</b>	<b>2,157</b>	<b>199</b>

There have been no material changes in the Group's management of capital during the period.

## 28 INVESTMENT IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policy 2.2.

All subsidiaries are incorporated in New Zealand.

Name of Entity	Principal Activity	Equity Holding	
		2014	2013
Speirs Funding Limited (this company was removed from the Register of Companies on 30 May 2014)	Investment holding company	-	100%
Speirs Foods Limited	Food processing company	100%	100%
Speirs Securitisation Management Limited	General Partner in a Limited Partnership providing Administrative services to a securitisation Programme.	100%	100%
Speirs Investments LP	Limited Partnership holding an 11.76% investment in Advaro Financial Services Limited	100%	-
Speirs Securitisation LP	Limited Partnership providing Administrative services to a securitisation Programme.	100%	100%



## Independent auditor's report

### To the shareholders of Speirs Group Limited

#### Report on the company and group financial statements

We have audited the accompanying financial statements of Speirs Group Limited ("the company") and the group, comprising the company and its subsidiaries, on pages 5 to 38. The financial statements comprise the statements of financial position as at 30 June 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, for both the company and the group.

#### *Directors' responsibility for the company and group financial statements*

The directors are responsible for the preparation of company and group financial statements in accordance with generally accepted accounting practice in New Zealand and International Financial Reporting Standards that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of company and group financial statements that are free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these company and group financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the company and group financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company and group financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company and group's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company and group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the company and group.



***Opinion***

In our opinion the financial statements on pages 5 to 38:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;
- give a true and fair view of the financial position of the company and the group as at 30 June 2014 and of the financial performance and cash flows of the company and the group for the year then ended.

**Report on other legal and regulatory requirements**

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by Speirs Group Limited as far as appears from our examination of those records.

*KPMG*

25 August 2014  
Wellington

## STATUTORY INFORMATION

### Principal activities

Speirs Group Limited operates as a holding company. At 30 June 2014 its principal interests are in:

Entity	Interest	Principal Activity
Speirs Foods Limited	Wholly owned subsidiary	Fresh food production and distribution
Speirs Investments LP	Speirs Group Limited is the sole Limited Partner	Holding an 11.76% investment in Advaro Financial Services Limited
Rosa Foods Limited	40% owned associate	Prepared meal production and distribution
Speirs Securitisation LP	Speirs Group Limited is the sole Limited Partner	Administrator and subordinated debt holder of Speirs Securities Limited
Speirs Nutritionals Partners LP	60.657% owned associate	Commercial development and marketing of Intellectual Property and Know How

### Directors' shareholdings – ordinary shares

	Beneficial Holdings	Non-Beneficial Holdings
The number of shares held by Directors of the Company at 30 June 2014:		
Keith Taylor	500,000	-
Nelson Speirs	1,047,678	705,489
Derek Walker	-	-
Nelson Speirs (as Co-Trustee)	-	1,383,145
Lee Simpson (as alternate for Derek Walker)	2,000	-

A Beneficial Holding records that the Director holds the shares in his own name. A Non-Beneficial Holding records that the Director(s) hold the shares in their capacity as a Trustee.

### Directors' shareholdings – perpetual preference shares

	Beneficial Holdings	Non-Beneficial Holdings
The number of shares held by Directors of the Company at 30 June 2014:		
Nelson Speirs	390,000	-
Nelson Speirs (as Co-Trustee)	-	289,000

A Beneficial Holding records that the Director holds the shares in his own name. A Non-Beneficial Holding records that the Director(s) hold the shares in their capacity as a Trustee.

### Directors' shareholdings – redeemable preference shares

	Beneficial Holdings	Non-Beneficial Holdings
The number of shares held by Directors of the Company at 30 June 2014:		
Keith Taylor	50,000	-
Derek Walker	30,000	-
Lee Simpson (as alternate for Derek Walker)	114,500	-

A Beneficial Holding records that the Director holds the shares in his own name. A Non-Beneficial Holding records that the Director(s) hold the shares in their capacity as a Trustee.

## Disclosure of interests by directors

- On 23 September 2013 Nelson Speirs declared that he had been appointed a director of Speirs Finance (NZ) Limited and MS Securitisation Limited
- On 21 October 2013 Derek Walker declared that he had been appointed as a Trustee of the Vision Manawatu Trust
- On 21 October 2013 Nelson Speirs declared that he had been retired as a director of Speirs Finance (NZ) Limited and MS Securitisation Limited
- On 25 November 2013 Nelson Speirs declared his resignation as a director of NFA Limited (In Liquidation)
- On 16 December 2013 Nelson Speirs declared his appointment as an alternate director on the Board of Speirs Foods Limited for Robert Speirs and John McCliskie
- On 16 December 2013 Keith Taylor declared an interest as a holder of 50,000 redeemable preference shares in Speirs Group Limited
- On 16 December 2013 Derek Walker declared an interest as a holder of 30,000 redeemable preference shares in Speirs Group Limited
- On 28 April 2014 Keith Taylor declared he had been appointed as a director of Speirs Finance (NZ) Limited and Vantage General Partner (NZ) Limited
- On 9 June 2014 Keith Taylor declared he had been appointed as a director of Advaro Financial Services Limited
- On 9 June 2014 Lee Simpson (as alternate for Derek Walker) declared the following interests:
  - Director and sole shareholder of Lee Simpson Advisory Limited
  - Director of SN Management Limited
  - Director of Rosa Foods Limited
  - Director of Country Choice Limited
  - Director of Pacific Gourmet Limited
  - Director of MVHL Trustee Company Limited
  - Director of Speirs Finance (NZ) Limited (as alternate for Keith Taylor)
  - Director of Vantage General Partner (NZ) Limited (as alternate for Keith Taylor)
  - Holder of 2,000 ordinary shares in Speirs Group Limited
  - Holder of 114,500 redeemable preference shares in Speirs Group Limited

### Governance positions held by directors at 30 June 2014

Director	Entity	Relationship
Keith Taylor	Earthquake Commission	Deputy Chair
	Government Superannuation Authority	Chairman
	Reserve Bank of New Zealand	Board Member
	Gough, Holdings Limited & Associated Companies	Chairman
	Butlands Management Limited & Associated Companies	Director
	Port Marlborough New Zealand Limited & Associated Companies	Director
	Southern Cross Healthcare Society & Associated Entities	Director
	Southern Cross Health Trust	Trustee
	Speirs Finance (NZ) Limited	Director
	Vantage General Partner (NZ) Limited	Director
	Advaro Financial Services Limited	Director
	Annuitas Management Limited	Director
	Keith B Taylor Limited	Director
Nelson Speirs	S N Management Limited	Director
	MMM Holdings Limited	Director (Chair)
	The Bio Commerce Centre Limited & Associated Companies	Director
	Speirs Foods Limited	As alternate for Robert Speirs and John McCliskie
	Speirs Securitisation Management Limited	Director
	Speirs Securities Limited	Director
Derek Walker	Palmerston North Airport Limited	Director (Chair)
	The Bio Commerce Centre Limited & Associated Companies	Director (Chair)
	NZ Windfarms Limited & Associated Companies	Director (Chair)
	Speirs Foods Limited	Director
	Third Bearing Limited	Director
	TBL Investments Limited	Director
	Elmira Consulting Limited	Director
	Vision Manawatu Trust	Trustee
	Wilson Cook Limited	Director

Director	Entity	Relationship
Lee Simpson (as alternate for Derek Walker)	Lee Simpson Advisory Limited	Director and sole shareholder
	S N Management Limited	Director
	Rosa Foods Limited	Director
	Speirs Finance (NZ) Limited	Director (as alternate for Keith Taylor)
	Country Choice Limited	Director
	Pacific Gourmet Limited	Director
	MVHL Trustee Company Limited	Director
	Vantage General Partner (NZ) Limited	Director (as alternate for Keith Taylor)

### Transfers of interests in Speirs Group Limited shares by directors during the year

- Nil

### Directors' remuneration

Directors' remuneration received, or due and receivable during the year ended 30 June 2014, is as follows:

Name	Consultants Fees	Parent Company Directors Fees	Subsidiary Company Directors Fees	Total Remuneration	
Keith Taylor	\$Nil	\$45,000	\$Nil	\$ 45,000	Independent Director and Chair
Derek Walker	\$ Nil	\$22,500	\$22,500	\$45,000	Independent Director
Nelson Speirs	\$52,000	\$30,000	\$10,000	\$92,000	Non Independent Director
Lee Simpson (as alternate for Derek Walker for the period 28 May 2014 to 7 July 2014)	\$Nil	\$Nil	\$Nil	\$Nil	Non Independent Director

Directors are reimbursed for travel and accommodation expenses and any other costs properly incurred by them in connection with the business of the Company.

Nelson Speirs' consultants fees related to the significant amount of work he performed in relation to the purchasing a book of receivables owned by Speirs Securities Limited and the establishment of a new finance company based on a securitised funding model (Advaro).

### Use of Company information by directors

There were no recorded notices from directors requesting to use Company information received in their capacity as directors that would not otherwise have been available to them.

### Directors' Loans

For the year ended 30 June 2014 and as at 30 June 2013, there were no loans to directors

### Indemnification and insurance of directors and officers

The Company has arranged policies of directors' and officers' liability insurance which together with an indemnity provided under the Company's constitution ensures that generally directors will incur no monetary loss as a result of actions taken by them as directors. Certain actions, such as penalties and fines which may be imposed in respect of breaches of the law, are excluded.

## Employee Remuneration

Remuneration and other benefits exceeding \$100,000 paid to employees during the year ended 30 June 2014 were:

	Group	Parent
• \$160,000 - \$169,999	1	-
• \$200,000 - \$209,999	1	-

## WAIVERS GRANTED BY NZX

On 19 May 2014 NZX granted Speirs Group Limited a waiver under NZAX Listing Rule 9.2.1 to allow Speirs Group Limited to enter into the Proposed Transactions without obtaining shareholder approval. The Proposed Transactions were a restructure of the existing Vantage Finance investment vehicle. This restructure involved Speirs Investments LP (a wholly owned subsidiary of Speirs Group Limited) exchanging its interest in Vantage Finance in return for an interest in Advaro Financial Services Limited, which will hold both Vantage Finance and Rent Plus Limited

The waiver was provided on the conditions that:

- (a) The non-interested (in terms of Rule 3.3.3) directors of Speirs Group Limited certify to NZX that:
  - (i) they are not interested (in terms of Rule 3.3.3) in the Proposed Transactions;
  - (ii) Speirs Group Limited will receive fair value from the Proposed Transactions and the terms of the Proposed Transactions are in the best interests of Speirs Group Limited and all shareholders of Speirs Group Limited; and
  - (iii) Speirs Group Limited has negotiated the Proposed Transactions on an arm's length and commercial basis and was not influenced in its decision to enter into the Proposed Transactions by the relationship between Speirs Group Limited and MCAF Finance Nominees Limited.
- (b) This waiver, its conditions, and its effect, are disclosed in Speirs Group Limited's annual report for the year the waiver is relied on.

## STATUTORY DISCLOSURE IN RELATION TO SHAREHOLDERS

### Twenty largest shareholders at 30 June 2014

	<i>Fully Paid</i> <i>Ordinary Shares</i>	<i>Percentage of</i> <i>Issued Voting Capital</i>
Nelson Speirs *	<b>1,047,678</b>	<b>9.24%</b>
Donald Speirs	<b>900,523</b>	<b>7.94%</b>
Active Equity Holdings Limited	<b>717,068</b>	<b>6.33%</b>
Nelson Speirs, Mary Speirs, Robert Speirs, Susan Le Moigne and Glendinnings Trustee Company Limited	<b>705,489</b>	<b>6.22%</b>
Donald Speirs, John Wilson	<b>642,273</b>	<b>5.67%</b>
Nelson Speirs, Mary Speirs, Robert Speirs, Susan Le Moigne and Glendinnings Trustee Company Limited	<b>521,222</b>	<b>4.60%</b>
Keith Taylor *	<b>500,000</b>	<b>4.41%</b>
Donald Speirs, Nelson Speirs, John Wilson	<b>421,790</b>	<b>3.72%</b>
David Speirs, Rebecca Speirs	<b>271,388</b>	<b>2.39%</b>
Donald Speirs, Nelson Speirs, John Wilson	<b>257,206</b>	<b>2.27%</b>
K Mody	<b>116,114</b>	<b>1.02%</b>
M Le Moigne	<b>109,385</b>	<b>0.97%</b>
M W Speirs	<b>102,994</b>	<b>0.91%</b>
M B Beale	<b>102,394</b>	<b>0.90%</b>
Nelson Speirs, Mary Speirs, Robert Speirs, Susan Le Moigne and Glendinnings Trustee Company Limited	<b>100,000</b>	<b>0.88%</b>
Cervelo Investments Limited	<b>99,693</b>	<b>0.88%</b>
P O Belk, B Belk	<b>91,614</b>	<b>0.81%</b>
Nelson Speirs, Susan Le Moigne and Glendinnings Trustee Company Limited	<b>82,927</b>	<b>0.73%</b>
E D Fogarty	<b>78,889</b>	<b>0.70%</b>
R J Doey	<b>76,556</b>	<b>0.68%</b>
	<b>6,945,203</b>	<b>61.27%</b>

\* See note under Directors' shareholdings on page 41

### Shareholder Statistics at 30 June 2014

<i>Ordinary Shares</i>	<i>Holders</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
1 to 999	31	5.44	15,148	0.13
1,000 to 4,999	275	48.25	639,069	5.64
5,000 to 9,999	89	15.61	628,381	5.54
10,000 to 99,999	160	28.07	3,536,454	31.20
100,000 and over	15	2.63	6,515,524	57.49
	570	100.00	11,334,576	100.00

### Substantial Security Holders at 18 August 2014

The following information is provided in compliance with Section 26 of the Securities Markets Act 1988 and is stated as at 18 August 2014. The total number of voting securities of Speirs Group Limited at that date was 11,334,576.

<i>Substantial Security Holder</i>	<i>Number of Shares in Which Relevant Interest is Held</i>	<i>Percentage of Voting Securities</i>
Nelson Speirs	3,136,312	27.67%
Donald Speirs	2,221,792	19.60%
Susan Le Moigne	1,443,425	12.73%
Glendinnings Trustee Company Limited	1,409,638	12.44%
John Wilson	1,381,869	12.19%
Robert Speirs	1,360,498	12.00%
Mary Speirs	1,345,212	11.87%
Active Equity Holdings Limited	717,068	6.33%

## Board Charter

### Part 1 - The Company Goal(s)

The purpose of Speirs Group Limited, and its goal, is to become recognised as a strong, capable investment company by investing in entities that operate in chosen fields in which the Company has competence, so as to maximise returns to its investors and enhance the well-being of all its stakeholders.

Speirs Group Limited funds its investments through its equity, and other capital raising from the public. Mortgage and other funding may be raised by subsidiaries from time to time.

The words “Company”, “Board” and “Management” have the same meaning for all entities that are subsidiaries or associates of Speirs Group Limited, or in which Speirs Group Limited owns a significant interest.

For Speirs Group Limited, the Secretary to the Board also acts as CEO.

### Part 2 - Board Governance Process

The role of the Board is to add long-term value to the Company’s shares as well as providing sustainable returns to all stakeholders.

Management will not be represented on the Board. Management control is exercised by the Board Secretary (Speirs Group Limited) and the appropriate CEO (entities that are subsidiaries or associates of Speirs Group Limited, or in which Speirs Group Limited owns a significant interest).

The Board will:

- ensure that the Company’s Goals are clearly established, and that strategies, originated by Management, are in place for achieving them;
- ensure that Management is pro-active in building the businesses within established parameters, through innovation, initiative, technology, new products and the development of business knowhow;
- monitor the performance of Management;
- appoint the CEO, set the terms of the CEO’s employment contract and, if necessary, terminate the CEO’s employment with the Company;
- protect the Company’s financial position and its ability to meet its debts and other obligations when they fall due;
- ensure that the Company’s financial statements are informative and comply with all legal and accounting standards;
- ensure that the Company adheres to high standards of ethical and corporate behaviour;
- ensure that the Company has appropriate risk management/regulatory compliance policies in place.
- Where possible, mitigate key risks facing the Company.

Day to day management of the Company will be in the hands of the Company Secretary.

The Board will satisfy itself that the Company is achieving the Company Goals.

#### The Board’s Relationship with Shareholders and with other Stakeholders

The Board will use its best endeavours to familiarise itself with issues of concern to Shareholders and other relevant stakeholders

In so doing, the Board will regularly consider economic, political, social and legal issues and other relevant matters that could affect the development of the businesses or the interests of Shareholders and other relevant stakeholders.

The Board acknowledges the cornerstone shareholding of the Speirs family in Speirs Group Limited.

#### Board Procedures

Directors will:

- At all reasonable times, have access to all relevant Company information and to Management:



- Meet formally at least quarterly, and additionally as the occasion requires. The board may meet by audio or audio/visual means;
- set its own agenda, through the Chair;
- place emphasis on strategic issues and policy;
- attend board meetings, prepare fully, and participate fully, frankly and constructively in board discussions;
- bring the benefit of individual knowledge, skills and abilities to the Board table;
- recognise that constructive debate will lead to better decisions, and seek consensus if possible;
- when making decisions, consider the general principles on which they are founded and any Company policies that may impact upon the decision;
- other than as required by law, regulation or agreement of the Board itself, regard all matters discussed at Board meetings as being confidential.

At the regular formal meetings the Board will consider:

- an update of its 'interests register';
- an operational report from the CEO (and CFO if applicable), which shall include reporting of financial and operational performance with comparison of actual and budgeted performance, explanation of variances from budget, and forecasts of future performance;
- specific proposals for capital expenditure;
- major issues and opportunities for the Company;
- any changes to strategic risks and opportunities for the Company;
- approving the quarterly payment of dividends in relation to Preference Shares and associated solvency declarations.

At least annually, the Board will:

- undertake a planning process which reviews the company's short, medium and long term goals and strategic direction in the context of the environment and markets it is operating in, its internal strengths and weaknesses and the key internal and external risks and opportunities for the company.
- approve the annual operating and capital plan and expenditure budgets;
- approve the annual and half-yearly financial statements, report to Shareholders and public announcements;
- approve the annual report;
- consider and, if appropriate, declare or recommend the payment of dividends on ordinary shares;
- review the Board composition, structure and succession;
- review the Company's audit requirements;
- review the performance of, necessity for and composition of Board committees;
- undertake Board and individual director evaluations;
- review directors' remuneration;
- review the CEO's performance and remuneration;
- review any donations and sponsorships;
- review remuneration policies and practices in general;
- review risk assessment policies and controls including insurance covers and compliance with legal and regulatory requirements;
- review the Company's code of conduct and ethical standards;
- review Shareholder, customer and supplier relations;
- agree the following year's Board work plan.

#### **Board Chair and Deputy Chair**

At its first formal meeting following the annual general meeting of Shareholders, the Board will appoint a Chair from amongst its members. The Board may, if it wishes, appoint a Deputy Chair.

The Chair is responsible for:

- representing the Board to Shareholders and the Public;
- ensuring the integrity and effectiveness of the Governance Process;
- maintaining regular dialogue with the CEO over significant operational matters;

- consultation with the other directors on any matter that might give concern;
- facilitating Board meetings to ensure that no director dominates discussion, that relevant opinion among directors is forthcoming and that discussions result in logical and sensible outcomes.

### **Board Committees**

The Board will form committees only when it is efficient or necessary to facilitate efficient decision-making. Unless otherwise directed by the Board, all directors will be members of each committee. The committees will observe the Board rules of conduct and procedure, and will speak and act only on matters authorised by the Board. That authority will not derogate from the authority delegated to the CEO.

The Board has three standing committees – Audit, Remuneration and Nomination.

The **Audit Committee** is the conduit to the external auditors. The Board Chair will not be the Audit Committee Chair. The Audit Committee reviews the annual and half-yearly financial statements prior to approval by the Board, the effectiveness of management information systems and systems of internal control and the effectiveness of the external audit function.

The **Remuneration Committee** annually reviews the remuneration packages of all directors and the CEO and makes recommendations to the Board. The packages are reviewed with due regard to performance and other relevant factors including market relativity.

The **Nomination Committee** will be chaired by the Board Chair. The Nomination committee reviews the composition of the Board annually and makes recommendations to the Board to ensure the Board comprises members with an appropriate mix of skills and experience. Appropriate assistance from external advisors may be sought.

### **Board Composition and Mix**

The composition of the Board, with a membership of no less than three, will reflect the duties and responsibilities it is required to discharge as representative of the Shareholders, including setting the Company's goal(s) and strategy for achieving those goals, and overseeing the implementation of that strategy.

The qualification for Board membership is the ability and intelligence to make sensible business decisions and recommendations, such as:

- an entrepreneurial talent for contributing to the creation of Shareholder value;
- the ability to see the wider picture;
- the ability to ask the hard questions;
- experience in the industry sector;
- high ethical standards;
- sound practical and common sense;
- total commitment to furthering the interests of Shareholders and the achievement of the Company Goals.

Directors hold office for three years following their first appointment by Shareholders, and retire by rotation. Directors retiring by rotation may offer themselves for re-election for a further three year term.

### **Induction of new Directors**

Potential new directors are encouraged to carry out "due diligence" on the Company before accepting an appointment to the Board.

Prior to their first appointment, an induction programme will be provided to fully acquaint the new director with the business and affairs of the Company and the business environment and markets in which it operates. This will include appropriate meetings with other directors and with senior Management.

### **Directors' Remuneration**

The Remuneration Committee will recommend to the Board the level of remuneration paid to directors, always within the overall limitations imposed by Shareholders. Consideration will be taken of extra responsibilities such as chairing a Board committee.

The Chair and Deputy Chair (if any) will be paid a level of fees appropriate to their office. For the Chair, this will usually be in the order of 200% of the basic fees paid to the other directors.

Remuneration will be reviewed annually, which may include taking independent professional advice.

### **Speirs Group Limited Shareholding by Directors**

Speirs Group Limited shares are listed on NZAX. Directors are encouraged, but not obliged, to hold shares in Speirs Group Limited.

Should directors buy or sell shares in Speirs Group Limited, they must strictly observe the provisions of Speirs Group Limited's own internal rules as well as all relevant legislative and regulatory procedures.

#### **Provision of Business or Professional Services by Directors**

Because a conflict of interest (actual or perceived) may be created, directors should not, generally, provide business or professional services of an ongoing nature to the Company, other than where:

- the service is a special assignment, where the director has special expertise in the particular field; and
- the terms of engagement are competitive, clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

#### **Other Board Appointments**

Any director, while holding office, is at liberty to accept other Board appointments so long as the appointment is not in conflict with the Company's business and does not detrimentally affect the director's performance as a Company director. All other appointments must first be discussed with the Chair before being accepted.

#### **Board and Director Evaluations**

Each year:

- the Board will critically evaluate its own performance, processes and procedures to establish that they are not unduly complex and remain designed to assist the Board in effectively fulfilling its role;
- individual directors will be evaluated by the Board determining questions to be asked of each director about him/herself and about each other, including the Chair. Each director answers the questions in writing and the responses are collected and collated by the Chair who then discusses the results with each director. The Chair's own results are discussed with the remainder of the Board.

#### **Indemnities and Insurance**

The Company provides directors with, and pays premiums for, indemnity and professional insurance cover while acting in their capacities as directors. The Board may also provide an indemnity to directors.

#### **The Secretary to the Board**

The Secretary is appointed by the Board.

The Secretary is responsible for ensuring that:

- Board procedures are followed;
- the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.
- Take minutes of all Board and Board Committee meetings.

All directors, particularly the Board Chair and Committee Chairs, have access to the advice and services of the Secretary for the purposes of the Board's affairs and the Company's business.

### **Part 3 – Position of CEO (for Speirs Group Limited, read 'Secretary to the Board' for 'CEO')**

#### **Position of CEO**

The Board will link the Company's governance and management functions through the CEO. All Board authority conferred on Management is delegated through the CEO so that the authority and accountability of Management is considered to be the authority and accountability of the CEO so far as the Board is concerned.

The Board will agree with the CEO to achieve specific results directed towards the Company Goal(s)

Between Board meetings the Chair maintains an informal link between the Board and the CEO, is kept informed by the CEO on all important matters and is available to the CEO to provide counsel and advice where appropriate.

The CEO will take the lead and, as appropriate, work with the Chair and the Board, to undertake the necessary administrative duties to float, manage, re-finance, and repay all mezzanine financing and public borrowing as required by the Board from time to time.

Only decisions of the Board acting as a body are binding on the CEO. Instructions by individual directors or by Board committees are not given directly to the CEO.

#### **Accountability of CEO to Board**

The CEO, in association with the Chair, is accountable to the Board for the achievement of the Company Goal(s).

The CEO is accountable for the observance of the Management Limitations (see below).

The CEO will provide monthly reports to the Board covering:

- all appropriate operational, financial and other relevant matters;
- assurances that the Board considers necessary to confirm that the Management Limitations are being observed.

#### **Management Limitations**

The CEO is expected to:

- act within all specific authorities delegated to him/her by the Board;
- not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics;
- allocate Company capital and resources in adherence with Company Goal(s) and annual operating and capital expenditure budgets;
- not cause or permit any action without taking into account the health, safety, environmental and political consequences and their effect on long-term Shareholder value;
- not cause or permit any action that is likely to result in the Company becoming financially embarrassed;
- adequately protect and maintain the assets of the Company.
- appropriately administer and service the liabilities of the Company;
- operate the Company with a comprehensive system of internal control;
- not permit employees and other parties working for the Company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

## DIRECTORY

### Directors

At 30 June 2014 the Board of Directors of the Company is comprised of three Non-Executive Directors. All Directors have served for the whole year.

#### Non-Executive Directors

Keith Taylor (Chairman) BSc, BCA, FIA, F Inst D

Nelson Speirs, FCA

Derek Walker, BE (Hons), BBS.

Lee Simpson BBS, CA, ACIS (acted as alternate for Derek Walker for the period 28 May 2014 to 7 July 2014)

#### Company Secretary

Lee Simpson BBS, CA, ACIS

Email: [lees@speirs.co.nz](mailto:lees@speirs.co.nz)

#### Registered Office

4 Lower High Street, Marton  
P O Box 318, Palmerston North  
Telephone: 06 350 6004  
Facsimile: 06 350 6019

#### Securities Registrar

Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142  
Telephone: 09 488 8700  
Facsimile: 09 488 8787  
Investor Enquiries: 09 488 8777

#### Production Facility Offices

Speirs Foods Limited  
Hair Street  
Marton  
P O Box 108, Marton  
Telephone: 0800 366 324  
Facsimile: 06 327 5717  
Email: [sales@speirs.co.nz](mailto:sales@speirs.co.nz)

#### Advisors/Service Suppliers

##### Auditors

KPMG

##### Bankers

Bank of New Zealand

##### Solicitors

Chapman Tripp