

SPEIRS GROUP LIMITED
REPORT TO SHAREHOLDERS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2014

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Overview

The first six months of the 2014/15 year has seen the Company continue to build on the significant progress made in previous year on rebuilding shareholder value.

This has been achieved through the continued improved performance of the existing Foods business, the successful re-entry into the finance business and further recovery of the value of investments.

Profit for the six month period was \$511,000 compared to a profit of \$141,000 for the previous corresponding period.

Profitability

The contributions to the overall profit after tax of \$511,000 can be summarised as:

	2014 \$000	2013 \$000	Improvement/ (Deterioration) %
Speirs Foods trading profit before interest	411	310	32.6
Speirs Securities Limited Partnership	(9)	(45)	80.0
Associates' profit/(loss)			
- Rosa Foods Limited	64	(2)	3300.0
- Advaro Financial Services Limited	4	-	n/a
- Speirs Nutritionals Partners LP	1	(26)	103.8
Realised Gain on Sale of Allied Farmers shares	191	-	n/a
Mark to Gain on Sale of Allied Farmers shares	181	-	n/a
Writeback of Impairment Provision	-	585	n/a
Corporate governance and refinancing costs	(108)	(352)	69.3
Net financing costs	(224)	(329)	31.9
Overall profit/(loss) attributable to shareholders	511	141	262.4

Speirs Foods Limited

Speirs Foods continued to build on its strong growth from the previous year. Trading Income was \$8.653 million, up 6.85% on last year's \$8.098 million despite adverse weather conditions for the early part of summer. Speirs Foods maintains a strong market presence across both major supermarket chains and continues to introduce new products into its range. The range of products is still largely salad based and highest sales levels are achieved during the summer months. However various initiatives are being taken to provide products that are in demand throughout the year. An example is the new Potato and Gravy pottles introduced during the period.

Improved weather conditions have resulted in strong sales in January and February.

Speirs Securities Limited Partnership (SSLP)

The rights to the remaining book of receivables from Speirs Finance Limited, which was sold to Allied Nationwide Finance Limited in 2008, were repurchased in June 2012 from the receiver of NFA Limited (In Liquidation) (previously Allied Nationwide Finance Limited). The receivables were all repaid by October 2014. The run-down of the receivables ledger proceeded in accordance with expectations.

Advaro Financial Services (Advaro)

Speirs Group holds an 11.76% interest and \$1 million of subordinated debt in Advaro. The business commenced trading in February 2014 providing funding for motor vehicles and commercial plant to small and medium sized businesses in New Zealand. Subsequently another established finance business, RentPlus, which specialises in financing telco and computer based equipment, was acquired. They now all trade under the Advaro brand.

Speirs Group appoints a director to the Advaro board. In its 'start-up' phase Advaro is trading in line with expectations, building its book of funded assets. As a 'start up' business, Advaro will not immediately move into significant profit: initial targets of creating a quality receivables book of diverse business clients who are well spread geographically throughout New Zealand is steadily being achieved. Advaro is serviced by offices in both Auckland and Palmerston North, with marketing representation in most metropolitan and regional centres in New Zealand.

Investment in Allied Farmers Limited

The company has an investment in 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 Group was satisfied by the issuance to Speirs Group of 14,678,487 ordinary shares in Allied Farmers Limited and the payment to Speirs Group of \$500,000 on or before 30 April 2016.

During the period Speirs Group sold 4.9 million of these shares on market, realising cash of \$407,573 which has been applied to reducing debt. At 31 December 2014 the remaining 9,777,343 shares had a market value of \$694,000. A realised gain of \$191,000 and an unrealised gain of \$181,000 on the remaining shares were recognised for the period. The provision for impairment of \$500,000 made against the payment due in 2016 remains due to the uncertainty it will be settled.

Dividend

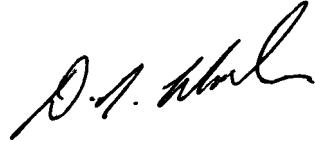
The Board has resolved to declare a fully imputed interim dividend of \$0.005 (half a cent per share). The record date for dividend entitlement is 31 March 2015 and the payment date will be 10 April 2015.

Outlook

The Board is focussed on ensuring the Group locks in and builds on the gains made over the last two years in terms of both improved trading profitability and the benefits from the additional investments.

This will enable the Company to reduce debt, build shareholder value and return to paying regular dividends.

For and on behalf of the Directors,



Derek Walker
Chairman of Directors
Speirs Group Limited

2 March 2015

Financial Statements

Throughout this report, the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows and all accompanying notes referring to:

- The six month period ended, and as at, 31 December 2014 are unaudited;
- The financial statements for the year ended, and as at, 30 June 2014 have been audited; and
- The six month period ended, and as at, 31 December 2013 are unaudited.

Statement of Financial Position
As at 31 December 2014

	<i>Notes</i>	December 2014 \$'000	June 2014 \$'000	December 2013 \$'000
Assets				
Current Assets				
Cash and Cash Equivalents	13	168	781	676
Prepayments		150	137	503
Trade and Other Receivables	14	2,322	1,511	2,462
Assets Held for Sale		-	-	1,034
Inventories	15	706	413	608
Total Current Assets		3,346	2,842	5,283
Non-Current Assets				
Investment in Associates	16	1,621	1,548	514
Loans, Advances and Investments	17	1,694	1,734	585
Property, Plant & Equipment	19	3,006	2,985	2,295
Intangibles	20	56	-	-
Total Non-Current Assets		6,377	6,267	3,394
Total Assets		9,723	9,109	8,677
Liabilities				
Current Liabilities				
Borrowings	22	-	685	1,322
Trade and Other Payables	21	3,020	2,144	2,923
Total Current Liabilities		3,020	2,829	4,245
Non-Current Liabilities				
Borrowings	22	4,123	4,123	4,123
Total Non-Current Liabilities		4,123	4,123	4,123
Total Liabilities		7,143	6,952	8,368
Equity				
Contributed Capital	23	12,925	12,925	12,925
Accumulated Deficits		(10,345)	(10,768)	(12,616)
Capital & Reserves		2,580	2,157	309
Total Equity and Liabilities		9,723	9,109	8,677

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

Statement of Comprehensive Income

For the six months ended 31 December 2014

		6 months 31 December 2014 \$'000	12 months 30 June 2014 \$'000	6 months 31 December 2013 \$'000
<i>Revenue</i>		8,653	15,947	8,098
<i>Purchases of Raw Materials</i>		(2,787)	(5,137)	(2,628)
<i>Employee Benefits Expense</i>	7	(2,198)	(4,174)	(2,238)
<i>Freight, Packaging & Other</i>		(2,706)	(5,148)	(2,696)
Net Trading Income		962	1,488	536
Other Income	8	515	2,166	906
Total Net Income Earned from Operating Activities		1,477	3,654	1,442
Share of Gain/(Loss) and Gain on Acquisition of Associates	16	73	1,055	(28)
Other Expenses	9	(621)	(1,753)	(781)
Earnings Before Interest, Depreciation, Impairment and Amortisation		929	2,956	633
<i>Interest Income</i>		52	51	3
<i>Interest Expense</i>		(276)	(614)	(332)
Net Interest Expense	10	(224)	(563)	(329)
Depreciation and Amortisation	19,20	(194)	(374)	(163)
Profit Before Income Tax		511	2,019	141
Income Tax (Expense)/ Benefit	11	-	-	-
Other Comprehensive Income		-	-	-
Total Comprehensive Income		511	2,019	141
Total Earnings per Share Attributed to Equity Holders of the Company:				
Basic Profit per Share (c/share)	12	4.23	17.27	0.97
Diluted Profit per Share (c/share)	12	4.23	17.27	0.97

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

Statement of Changes in Equity

For the six months ended 31 December 2014

	Contributed Capital \$'000	Accumulated Deficits \$'000	Total Equity \$'000
Balance at 30 June 2014	12,925	(10,768)	2,157
Comprehensive Income			
Profit/(Loss) for the Period	-	511	511
Total Comprehensive Income	-	511	511
Transactions with Owners			
Dividends on Ordinary Shares	-	(57)	(57)
Dividends on Perpetual Preference Shares	-	(31)	(31)
Total Transactions with Owners	-	(88)	(88)
Balance at 31 December 2014	12,925	(10,345)	2,580

For the year ended 30 June 2014

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

For the six months ended 31 December 2013

	Contributed Capital \$'000	Accumulated Deficits \$'000	Total Equity \$'000
Balance at 30 June 2013	13,391	(13,192)	199
Comprehensive Income			
Profit/(Loss) for the Period	-	141	141
Total Comprehensive Income	-	141	141
Transactions with Owners			
Equity Transfer Arising from Repayment of Convertible Redeemable Preference Shares	(466)	466	-
Dividends on Perpetual Preference Shares	-	(31)	(31)
Total Transactions with Owners	(466)	435	(31)
Balance at 31 December 2013	12,925	(12,616)	309

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

Statement of Cash Flows

For the six months ended 31 December 2014

		6 months	12 months	6 months
		31 December	30 June	31 December
		2014	2014	2013
	Notes	\$'000	\$'000	\$'000
Cash Flows from Operating Activities				
Interest Received		52	51	3
Dividends Received		5	10	5
Fees in Relation to Establishment of Speirs Finance (NZ)		-	1,300	-
Cash Receipts from Customers		7,686	15,778	7,081
Other Income		143	406	311
Dividends Paid on Convertible Redeemable Preference Shares		-	(107)	(107)
Dividends Paid on Redeemable Preference Shares		(132)	(159)	(35)
Interest Expense		(134)	(262)	(136)
Cash Paid to Suppliers and Employees		(7,746)	(16,199)	(7,942)
Net Cash from Operating Activities	24	(126)	818	(820)
Cash Flows from Investing Activities				
Proceeds from Sale of Property, Plant and Equipment		100	5	11
Repayment of Investment in Speirs Nutritionals Partners LP		-	48	-
Repayment of Speirs Securities Limited Subordinated Debt		50	317	-
Cash Provided from Speirs Securitisation LP		-	-	125
Sale of Allied Farmers Limited Shares		412	-	-
Investment in Subordinated Debt – Speirs Finance (NZ) LP		-	(1,000)	-
Acquisition of Intangibles		(65)	-	-
Acquisition of Property, Plant & Equipment		(211)	(163)	(63)
Net Cash Flows from Investing Activities		286	(793)	73
Cash Flows from Financing Activities				
Proceeds from borrowings		-	2,543	3,180
Repayments of Borrowings		(685)	(2,152)	(2,152)
Dividends Paid on Ordinary Shares		(57)	-	-
Dividends Paid on Perpetual Preference Shares		(31)	(61)	(31)
Net Cash Flows from Financing Activities		(773)	330	997
Net Increase / (Decrease) in Cash and Cash Equivalents		(613)	355	250
Cash and Cash Equivalents at Beginning of Period		781	426	426
Cash and Cash Equivalents at Period End	13	168	781	676

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 a wholly owned subsidiary of Speirs Group Limited and is involved in the production and distribution of fresh food products.

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.

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, and its wholly owned subsidiary Speirs Foods Limited and its associate entities (See Note 16). 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 2013.

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.

Going Concern

The financial statements are prepared on a going concern basis, which assumes the Group will be able to meet its obligations as and when they fall due and realise assets and liabilities in the ordinary course of business.

2.2. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of Speirs Group Limited ('company' or 'parent entity'), and its wholly owned subsidiary Speirs Foods Limited as at 31 December 2014. Speirs Group Limited and its wholly owned subsidiaries 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.

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, Advaro Limited and Rosa Foods Limited (associates of Speirs Group Limited), and Speirs Foods Limited (a wholly owned subsidiary 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.

3. 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, as well as written policies covering specific areas, such as mitigating interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

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.

Each business unit is required to implement Group credit policies and procedures, with credit approval delegated from senior Management. Each business unit has a General Manager 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.

Credit risks in respect of bank balances and short term deposits are managed by limiting amounts invested in any particular institution or by depositing amounts with registered banks within New Zealand.

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 to credit risks consist of:

	Group		
	December 2014 \$'000	June 2014 \$'000	December 2013 \$'000
Cash and Cash Equivalents	168	781	676
Trade and Other Receivables	2,322	1,511	2,462
Loans and Advances	1,000	1,000	585

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 of loans and advances and trade and other receivables is set out below:

	Loans and Advances			Trade and Other Receivables		
	December 2014	June 2014	December 2013	December 2014	June 2014	December 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount	1,500	1,500	2,000	2,322	1,511	2,462
Impairment Provision	(500)	(500)	(1,415)			
Past Due but not Impaired	-	-	-	2	14	14
Neither Past Due nor Impaired	1,000	1,000	585	2,320	1,497	2,448
Total Carrying Amount	1,000	1,000	585	2,322	1,511	2,462

- Trade and other receivables totalling \$1,931 (30 June 2014: \$14,488; 31 December 2013: \$14,193) 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 manages concentration of credit risk by placing restrictions on the maximum amounts which may be deposited with a Registered Bank.

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.

Based on current cash flow projections the Directors expect that the Group will have sufficient liquidity to meet the Group's ongoing requirements. For this reason the Directors consider that the adoption of the going concern assumption is appropriate

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:

31 December 2014	Gross Nominal							
	Carrying Amount \$'000	Cash Flow \$'000	On Demand \$'000	Less than 3 Months \$'000	3-6 Months \$'000	6-12 Months \$'000	1-2 Years \$'000	2-5 Years \$'000
<i>Non-Derivative Assets</i>								
Cash and Cash Equivalents	168	168	168	-	-	-	-	-
Loans and Advances	1,000	1,450	-	25	25	50	100	1,250
Trade and Other Receivables	2,322	2,322	-	2,322	-	-	-	-
Total	3,490	3,940	168	2,347	25	50	100	1,250

31 December 2014	<i>Gross</i>							
	<i>Nominal</i>							
	<i>Carrying Amount \$'000</i>	<i>Cash Flow \$'000</i>	<i>On Demand \$'000</i>	<i>Less than 3 Months \$'000</i>	<i>3-6 Months \$'000</i>	<i>6-12 Months \$'000</i>	<i>1-2 Years \$'000</i>	<i>2-5 Years \$'000</i>

<i>Non-Derivative Liabilities</i>								
Trade and Other Payables	3,020	3,020	-	3,020	-	-	-	-
Borrowings	4,123	4,997	-	91	91	181	1,508	3,126
Total	7,143	8,017	-	91	91	181	1,508	3,126

30 June 2014	<i>Gross</i>							
	<i>Nominal</i>							
	<i>Carrying Amount \$'000</i>	<i>Cash Flow \$'000</i>	<i>On Demand \$'000</i>	<i>Less than 3 Months \$'000</i>	<i>3-6 Months \$'000</i>	<i>6-12 Months \$'000</i>	<i>1-2 Years \$'000</i>	<i>2-5 Years \$'000</i>

<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	1,511	1,511	-	1,511	-	-	-	-
Total	3,292	3,792	781	1,536	25	50	100	1,300

30 June 2014	<i>Gross</i>							
	<i>Nominal</i>							
	<i>Carrying Amount \$'000</i>	<i>Cash Flow \$'000</i>	<i>On Demand \$'000</i>	<i>Less than 3 Months \$'000</i>	<i>3-6 Months \$'000</i>	<i>6-12 Months \$'000</i>	<i>1-2 Years \$'000</i>	<i>2-5 Years \$'000</i>

<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
Total	6,952	8,091	-	2,255	111	222	1,048	4,455

31 December 2013	<i>Gross</i>							
	<i>Nominal</i>							
	<i>Carrying Amount \$'000</i>	<i>Cash Flow \$'000</i>	<i>On Demand \$'000</i>	<i>Less than 3 Months \$'000</i>	<i>3-6 Months \$'000</i>	<i>6-12 Months \$'000</i>	<i>1-2 Years \$'000</i>	<i>2-5 Years \$'000</i>

<i>Non-Derivative Assets</i>								
Cash and Cash Equivalents	676	676	676	-	-	-	-	-
Loans and Advances	585	585	-	-	-	-	-	585
Trade and Other Receivables	2,462	2,462	-	2,462	-	-	-	-
Total	3,723	3,723	676	2,462	-	-	-	585

31 December 2013	<i>Gross</i>							
	<i>Carrying Amount \$'000</i>	<i>Nominal Cash Flow \$'000</i>	<i>On Demand \$'000</i>	<i>Less than 3 Months \$'000</i>	<i>3-6 Months \$'000</i>	<i>6-12 Months \$'000</i>	<i>1-2 Years \$'000</i>	<i>2-5 Years \$'000</i>
<i>Non-Derivative</i>								
<i>Liabilities</i>								
Trade and Other Payables	2,923	2,923	-	2,923	-	-	-	-
Borrowings	5,445	6,654	-	421	171	239	2,432	3,391
Total	8,368	9,577	-	3,344	171	239	2,432	3,391

The Group 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's financial liabilities on the basis of their earliest possible contractual maturity.

The gross nominal cash flow disclosed in the above tables is the contractual, undiscounted cash flow on the financial liability.

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

The Group undertakes minimal transactions denominated in foreign currencies. At 31 December 2014, 30 June 2014 and 31 December 2013 the Group had no foreign currency exposures.

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:

31 December 2014	<i>Non-</i>						
	<i>Carrying Amount \$'000</i>	<i>Interest Bearing \$'000</i>	<i>Less than 3 Months \$'000</i>	<i>3-6 Months \$'000</i>	<i>6-12 Months \$'000</i>	<i>1-2 Years \$'000</i>	<i>2-5 Years \$'000</i>
Cash and Cash Equivalents	168	130	38	-	-	-	-
Loans and Advances	1,000	-	-	-	1,000	-	-
	1,168	130	38	-	1,000	-	-
Borrowings	4,123	-	-	-	-	1,193	2,930
	4,123	-	-	-	-	1,193	2,930
	(2,955)	130	38	-	1,000	(1,193)	(2,930)

30 June 2014

	<i>Carrying Amount \$'000</i>	<i>Non- Interest Bearing \$'000</i>	<i>Less than 3 Months \$'000</i>	<i>3-6 Months \$'000</i>	<i>6-12 Months \$'000</i>	<i>1-2 Years \$'000</i>	<i>2-5 Years \$'000</i>
Cash and Cash							
Equivalents	781	624	157	-	-	-	-
Loans and Advances	1,000	-	-	-	1,000	-	-
	<u>1,781</u>	<u>624</u>	<u>157</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Borrowings	4,808	-	-	685	-	-	4,123
	<u>4,808</u>	<u>-</u>	<u>-</u>	<u>685</u>	<u>-</u>	<u>-</u>	<u>4,123</u>
	<u>(3,027)</u>	<u>624</u>	<u>157</u>	<u>(685)</u>	<u>1,000</u>	<u>-</u>	<u>(4,123)</u>

31 December 2013

	<i>Carrying Amount \$'000</i>	<i>Non- Interest Bearing \$'000</i>	<i>Less than 3 Months \$'000</i>	<i>3-6 Months \$'000</i>	<i>6-12 Months \$'000</i>	<i>1-2 Years \$'000</i>	<i>2-5 Years \$'000</i>
Cash and Cash							
Equivalents	676	306	370	-	-	-	-
Loans and Advances	585	585	-	-	-	-	-
	<u>1,261</u>	<u>891</u>	<u>370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Borrowings	5,445	-	300	50	-	2,165	2,930
	<u>5,445</u>	<u>-</u>	<u>300</u>	<u>50</u>	<u>-</u>	<u>2,165</u>	<u>2,930</u>
	<u>(4,184)</u>	<u>891</u>	<u>70</u>	<u>(50)</u>	<u>-</u>	<u>(2,165)</u>	<u>(2,930)</u>

The Group 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:

	<i>31 December 2014 \$'000</i>	<i>30 June 2014 \$'000</i>	<i>31 December 2013 \$'000</i>
Contributed Equity	12,925	12,925	12,925
Accumulated Deficits	(10,345)	(10,678)	(12,616)
Total Equity Balance at Period End	<u>2,580</u>	<u>2,157</u>	<u>309</u>

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

4. Estimates and Judgements

The Group makes assumptions and estimates that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no significant accounting estimates and assumptions deemed critical to the Company's results and financial position.

5. Segment Reporting

For the purposes of this note, the chief operating decision-maker has been identified as the Board of Directors of Speirs Group Limited. The Board reviews the Group's internal reporting pack on a monthly basis to assess performance and to allocate resources. Within the pack, operating segments have primarily been determined with reference to differences in products and services.

The Board of Directors assesses the performance of the operating segments based on a measure of net profit after tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event.

A summarised description of each business unit is shown below:

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

The Group operates predominantly within New Zealand.

Group 6 months 31 December 2014	<i>Speirs Foods</i>	<i>Corporate</i>	<i>Reconciliation</i>	<i>Consolidated</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
External Revenue				
Interest Income	-	52	-	52
Revenue	8,653	-	-	8,653
Other Income	97	491		588
Intersegment Revenue/(Eliminations)	-	233	(233)	-
Total Segment Revenue/(Eliminations)	8,750	776	(233)	9,293
Overall Segment Result	276	517	(282)	511
Income Tax Expense				-
Profit/(Loss) for the 6 Month Period				511
Segment Assets	7,338	6,385	(4,000)	9,723
Segment Liabilities	4,397	2,746	-	7,143
Depreciation and Amortisation	194	-	-	194
Capital Expenditure	211	-	-	211

The Group receives Trading Income from two customers who account for 84% of total Trading Income

Group 12 months June 2014	Speirs Foods \$'000	Corporate \$'000	Reconciliation \$'000	Consolidated \$'000
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)	-
Total Segment Revenue	16,159	3,526	(466)	19,219
Overall Segment Result	409	2,076	(466)	2,019
Income Tax Expense				-
Profit/(Loss) for the Year				2,019
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	-	-	149188

The Group receives Trading Income from two customers who account for 84% of total Trading Income

Group 6 months 31 December 2013	Speirs Foods \$'000	Corporate \$'000	Reconciliation \$'000	Consolidated \$'000
External Revenue				
Interest Income	2	1	-	3
Revenue	8,098	-	-	8,098
Other Income	108	753	-	861
Intersegment Revenue/(Eliminations)	-	233	(233)	-
Total Segment Revenue/(Eliminations)	8,208	987	(233)	8,962
Overall Segment Result	241	181	(281)	141
Income Tax Expense				-
Profit/(Loss) for the 6 Month Period				141
Segment Assets	7,866	6,187	(5,376)	8,677
Segment Liabilities	4,969	4,714	(1,315)	8,368
Depreciation, Impairment and Amortisation	163	-	-	163
Capital Expenditure	63	-	-	63

The Group receives Trading Income from two customers who account for 85% of total Trading Income

6. Financial Assets and Liabilities

Accounting Classifications and Fair Values

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

	31 December 2014				Fair Value \$'000
	Available for Sale \$'000	Loans and Receivables \$'000	Other Amortised Cost \$'000	Total Carrying Value \$'000	
Cash and Cash Equivalents	-	168	-	168	168
Loans, Advances and Investments	-	1,694	-	1,694	1,694
Trade and Other Receivables	-	2,322	-	2,322	2,322
	-	4,184	-	4,184	4,184
Trade and Other Payables	-	-	3,020	3,020	3,020
Borrowings	-	-	4,123	4,123	4,123
	-	-	7,143	7,143	7,143

	30 June 2014				Fair Value \$'000
	Available for Sale \$'000	Loans and Receivables \$'000	Other Amortised Cost \$'000	Total Carrying Value \$'000	
Trade and Other Receivables	57	1,454	-	1,511	1,511
Loans, Advances and Investments	-	1,734	-	1,734	1,734
Cash and Cash Equivalents	-	781	-	781	781
	57	3,969	-	4,026	4,026
Trade and Other Payables	-	-	2,144	2,144	2,144
Borrowings	-	-	4,808	4,808	4,808
	-	-	6,952	6,952	6,952

	31 December 2013				Fair Value \$'000
	Available for Sale \$'000	Loans and Receivables \$'000	Other Amortised Cost \$'000	Total Carrying Value \$'000	
Cash and Cash Equivalents	676	-	-	676	676
Loans and Advances	-	585	-	585	585
Trade and Other Receivables	252	2,713	-	2,965	2,965
	928	3,298	-	4,226	4,226
Trade and Other Payables	-	-	2,923	2,923	2,923
Borrowings	-	-	5,445	5,445	5,445
	-	-	8,368	8,368	8,368

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

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.

Non-Derivative Financial Liabilities – at net present value.

7. Employee Benefits Expense

	6 months 31 December 2014 \$'000	12 months 30 June 2014 \$'000	6 months 31 December 2013 \$'000
Wages and Salaries	2,149	4,007	2,146
Other Personnel Expenses	49	167	92
Total Personnel Expenses	2,198	4,174	2,238

8. Other Income

	6 months 31 December 2014 \$'000	12 months 30 June 2014 \$'000	6 months 31 December 2013 \$'000
Rental Income	49	100	52
Gain on Sale of Property, Plant and Equipment	-	19	10
Establishment Fee for Speirs Finance LP	-	1,000	-
Reimbursement of Costs in Relation to the Establishment of Speirs Finance LP	-	300	-
Less Costs Incurred in Relation to the Establishment of Speirs Finance LP	-	(303)	-
Operating Fees from Speirs Securities Limited	-	213	207
Issue of Allied Farmers Limited Shares in Part Settlement of Debt Due	-	585	-
Realised Gain on Sale of Allied Farmers Limited Shares	191	-	-
Mark to Market Gain on Holding of Allied Farmers Limited Shares	181	149	-
Write back of Provision for Impairment on Allied Farmers Debt Owing	-	-	585
Other Income	94	103	52
Total Other Income	515	2,166	906

9. Other Expenses

	6 months 31 December 2014 \$'000	12 months 30 June 2014 \$'000	6 months 31 December 2013 \$'000
Fees Paid to Auditors			
Statutory Audit of Financial Statements	20	44	18
Other Assurance Services	-	-	-
Directors Fees - Parent	54	98	49
Directors Fees - Subsidiaries	29	64	26
Bad Debts Written Off	3	4	-
Insurance	128	304	154
Legal Fees	9	188	162
Loss on Sale of Property, Plant and Equipment	1	-	-
Impairment of Assets for Sale	-	153	-
Change in Fair Value of Speirs Securities Limited	7	48	45
Refinancing Costs of Maturing Liabilities	-	157	-
Rental Expenditure	11	35	25
Other Expenses	359	658	302
Total Other Expenses	621	1,753	781

10. Net Interest Expense

	<i>6 months</i> <i>31 December</i> <i>2014</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2014</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2013</i> <i>\$'000</i>
Interest Income			
Cash and Cash Equivalents	2	5	3
Loans and Advances	50	46	-
Total Interest Income	52	51	3
Interest Expense			
Borrowings			
Convertible Redeemable Preference Shares	-	107	107
Unwind of Discount on Convertible Redeemable Preference Shares	-	57	57
Redeemable Preference Shares - Dividend	132	159	35
Redeemable Preference Shares – Early Bird Interest	-	7	-
Amortisation of Issue Costs of Redeemable Preference Shares	10	35	11
Secured Stock	-	30	30
Mortgage	54	86	40
Debtor Financing	72	104	29
On all other borrowings	8	29	23
Total Interest Expense	276	614	332
Net Interest Expense	(224)	(563)	(329)

11. Income Tax Expense

	<i>6 months</i> <i>31 December</i> <i>2014</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2014</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2013</i> <i>\$'000</i>
Tax Expense			
Current Tax	-	-	-
Deferred Tax	-	-	-
Income Tax Expense	-	-	-
Reconciliation of Effective Tax Rate			
Profit/(Loss) Before Income Tax	711	2,019	141
Income Tax at 28 %	199	565	39
Loss/(Gain) on Associates	(50)	(275)	6
Non-assessable Income	(104)	(205)	(56)
Non-deductible Expenses	40	92	58
Unrecognised Future Income Tax Benefit	(85)	(177)	(47)
	-	-	-

	<i>6 months</i> <i>31 December</i> <i>2014</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2014</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2013</i> <i>\$'000</i>
Imputation Credits			
Imputation Credits at Start of Period	3,570	3,697	3,697
Imputation Credits Attached to Redeemable Preference Share, Perpetual Reference Share, Convertible Redeemable Preference Share and Ordinary Share Dividends Paid	(85)	(127)	(62)
Imputation Credits at Period End	<u>3,485</u>	<u>3,570</u>	<u>3,635</u>

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

12. Earnings per Share

Basic and Diluted Profit/(Loss) per Share

	<i>6 months</i> <i>31 December</i> <i>2014</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2014</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2013</i> <i>\$'000</i>
Profit/(Loss) Attributable to Ordinary Shareholders			
Profit/(Loss) for the Period	511	2,019	141
Dividends Paid on Perpetual Preference Shares	(31)	(61)	(31)
Profit/(Loss) for the Period Attributable to Ordinary Shareholders	<u>480</u>	<u>1,958</u>	<u>110</u>

	<i>6 months</i> <i>31 December</i> <i>2014</i> <i>\$ '000</i>	<i>12 months</i> <i>30 June</i> <i>2014</i> <i>\$ '000</i>	<i>6 months</i> <i>31 December</i> <i>2013</i> <i>\$ '000</i>
Weighted Average Number of Ordinary Shares			
Issued Ordinary Shares at beginning of period	11,335	11,335	11,335
Issued Ordinary Shares at end of period	11,335	11,335	11,335
Weighted Average Number of Ordinary Shares at Period End	<u>11,335</u>	<u>11,335</u>	<u>11,335</u>

13. Cash and Cash Equivalents

	<i>31 December</i> <i>2014</i> <i>\$'000</i>	<i>30 June</i> <i>2014</i> <i>\$'000</i>	<i>31 December</i> <i>2013</i> <i>\$'000</i>
Cash at Bank	130	624	306
Short Term Deposits – Call	38	157	370
Total Cash & Cash Equivalents	<u>168</u>	<u>781</u>	<u>676</u>

All cash and cash equivalents are held in registered banks. The Company has no overdraft facility.

14. Trade and Other Receivables

31 December 2014

	<i>Gross</i> <i>Amount</i> <i>\$'000</i>	<i>Impairment</i> <i>Allowance</i> <i>\$'000</i>	<i>Carrying</i> <i>Amount</i> <i>\$'000</i>
Trade and Other Receivables			
Trade Receivables	2,322	-	2,322
Total Trade and Other Receivables	<u>2,322</u>	<u>-</u>	<u>2,322</u>
Current	2,322	-	2,322
Non Current	-	-	-
Total	<u>2,322</u>	<u>-</u>	<u>2,322</u>

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

The Trade Receivables are charged under the debtor financing arrangement referred to in Note 22.

30 June 2014

	<i>Gross Amount \$'000</i>	<i>Impairment Allowance \$'000</i>	<i>Carrying Amount \$'000</i>
Trade and Other Receivables			
Trade Receivables	1,454	-	1,454
Subordinated Debt in Speirs Securities Limited	57	-	57
Total Trade and Other Receivables	1,511	-	1,511
Current	1,511	-	1,511
Non Current	-	-	-
Total	1,511	-	1,511

Trade and Other Receivables are considered to be collectable in full.

Accordingly, no allowance for impairment has been made.

The Trade Receivables are charged under the debtor financing arrangement referred to in Note 22.

31 December 2013

	<i>Gross Amount \$'000</i>	<i>Impairment Allowance \$'000</i>	<i>Carrying Amount \$'000</i>
Trade and Other Receivables			
Trade Receivables	2,210	-	2,210
Subordinated Debt in Speirs Securities Limited	252	-	252
Total Trade and Other Receivables	2,462	-	2,462
Current	2,462	-	2,462
Non Current	-	-	-
Total	2,462	-	2,462

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

The Trade Receivables are charged under the debtor financing arrangement referred to in Note 22.

15. Inventories

	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Inventories			
Raw Materials and Consumables	593	360	491
Finished Goods	113	53	117
Total	706	413	608

No inventory is subject to retention of title clauses.

16. Investment in Associates

Overall Summary

Investments Equity Accounted	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Share of Rosa Foods Limited	539	475	439
Share of Advaro Financial Services Limited	1,069	1,061	-
Share of Speirs Nutritionals Partners LP	13	12	75
	1,621	1,548	514

Share of Profit/(Loss) and Gain on Acquisition of Associates	6 months 31 December 2014 \$'000	12 months 30 June 2014 \$'000	6 months 31 December 2013 \$'000
Share of Profit/(Loss) of Rosa Foods Limited	64	34	(2)
Share of Profit/(Loss) and Gain on Acquisition of Advaro Financial Services Limited	4	1,061	-
Share of Profit/(Loss) of Speirs Nutritionals Partners LP	1	(40)	(26)
	69	1,055	(28)

(a) Rosa Foods Limited

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

	6 months 31 December 2014 \$'000	12 months 30 June 2014 \$'000	6 months 31 December 2013 \$'000
Opening Balance	475	441	441
Share of profit/(loss) after tax of associate	64	34	(2)
Closing Balance	539	475	439

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

	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Current Assets	1,014	753	649
Goodwill	495	495	495
Property Plant and Equipment	486	478	460
Total Assets	1,995	1,726	1,604
Current Liabilities	848	546	520
Non-Current Liabilities	50	100	95
Total Liabilities	898	646	615
Net Assets	1,097	1,080	989

(b)Advaro Financial Services Limited

As a result of a series of transactions during the year ended 30 June 2014 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 31 December 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.

	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Share of surplus/(deficit) of associate	8	(282)	-
Gain on Acquisition	-	1,667	-
Impairment of Goodwill Post Acquisition	-	(324)	-
Less share of dividends received	-	-	-
Net addition/(deletion) to the investment carrying value	8	1,061	-
Share of associate’s equity at the beginning of the period	1,061	-	-
Closing Balance	1,069	1,061	-

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

	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Current Assets	5,472	5,124	-
Finance Receivables	66,262	46,971	-
Plant and Equipment	316	414	-
Intangible Assets	5,701	4,259	-
Total Assets	77,751	56,768	-
Current Liabilities	966	747	-
Funding Lines	67,697	46,988	-
Total Liabilities	68,663	47,745	-
Net Assets	9,088	9,023	-
Speirs Group Share (11.76%)	1,069	1,061	-

(c)Speirs Nutritionals Partners LP

On 1 February 2010 Speirs Group Limited 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. Subsequently Speirs Group Limited increased its interest to 60.657%. 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. Financial information for SNPLP has been extracted from management accounts. Speirs Nutritionals is not accounted for as a subsidiary as Speirs Group (under the terms of the underlying Partnership Agreement) does not have control of Speirs Nutritionals. It does, however, have significant influence.

	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Share of surplus/(deficit) of associate	1	(40)	(25)
Less share of dividends received	-	(48)	-
Net addition/(deletion) to the investment carrying value	1	(88)	(25)
Share of associate’s equity at the beginning of the period	12	100	100
Closing Balance	13	12	75

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

	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Current Assets	22	71	169
Total Assets	22	71	169
Current Liabilities	-	51	45
Total Liabilities	-	51	45
Net Assets	22	20	124
Speirs Group Share (60.657%)	13	12	75

17. Loans and Advances

	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Owing from Allied Farmers Limited	-	-	2,000
Shares in Allied Farmers Limited	694	734	-
Allied Farmers Limited Debt Owning	500	500	-
Subordinated Debt in Speirs Finance (NZ) LP	1,000	1,000	-
	<u>2,194</u>	<u>2,234</u>	<u>2,000</u>
Provision for Impairment	(500)	(500)	(1,415)
Carrying Value	<u>1,694</u>	<u>1,734</u>	<u>585</u>
Current	-	-	-
Non Current	1,694	1,734	585
Total	<u>1,694</u>	<u>1,734</u>	<u>585</u>

Shares in Allied Farmers Limited/Allied Farmers Limited Debt Owning

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") had 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.; 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.

At 31 December 2014 Speirs Group Limited held 9,777,343 Allied Farmers Limited ordinary shares (30 June 2014: 14,678,487 ordinary shares).

Subordinated Debt in Speirs Finance (NZ) LP

As part of the establishment of the business of Advaro Financial Services Limited, Speirs Group Limited invested the \$1million establishment fee it received in relation to this transaction into subordinated debt of a wholly owned subsidiary of Advaro Financial Services Limited, 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.

18. Deferred Income Tax Assets

Unrecognised Deferred Tax Assets

The Group has a deferred tax asset of \$7,733,185 (30 June 2014: \$7,818,140; 31 December 2013: \$7,947,978) 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.

19. Property, Plant and Equipment
31 December 2014

	<i>Land \$'000</i>	<i>Buildings \$'000</i>	<i>Computer Equipment \$'000</i>	<i>Vehicles \$'000</i>	<i>Other Plant & Equipment \$'000</i>	<i>Capital Work in Progress \$'000</i>	<i>Total \$'000</i>
Cost or Valuation							
Balance at Start of Period	80	2,859	948	318	4,265	101	8,571
Additions	-	21	64	7	75	44	211
Disposals	-	-	(469)	(52)	(238)	-	(759)
Balance at Period End	80	2,880	543	273	4,102	145	8,023
Depreciation and Impairment Losses							
Balance at Start of Period	-	845	832	283	3,626	-	5,586
Depreciation for the Period	-	58	32	7	88	-	185
Disposals	-	-	(467)	(50)	(237)	-	(754)
Balance at Period End	-	903	397	240	3,477	-	5,017
Carrying Amounts							
At Start of Period	80	2,014	116	35	639	101	2,985
At Period End	80	1,977	146	33	625	145	3,006

30 June 2014

	<i>Land \$'000</i>	<i>Buildings \$'000</i>	<i>Computer Equipment \$'000</i>	<i>Vehicles \$'000</i>	<i>Other Plant & Equipment \$'000</i>	<i>Capital Work in Progress \$'000</i>	<i>Total \$'000</i>
Cost or Valuation							
Balance at Start of Period	-	-	916	402	4,214	13	5,545
Additions	-	17	32	-	51	88	188
Reclassification from Assets Held for Sale	80	2,842	-	-	-	-	2,922
Disposals / Transfers	-	-	-	(84)	-	-	(84)
Balance at Period End	80	2,859	948	318	4,265	101	8,571
Depreciation and Impairment Losses							
Balance at Start of Period	-	-	784	335	3,450	-	4,569
Depreciation for the Year	-	122	48	22	176	-	368
Reclassification from Assets Held for Sale	-	723	-	-	-	-	723
Disposals	-	-	-	(74)	-	-	(74)
Balance at Period End	-	845	832	283	3,626	-	5,386
Carrying Amounts							
At Start of Period	-	-	132	67	764	13	976
At Period End	80	2,014	116	35	639	101	2,985

31 December 2013

	<i>Land \$'000</i>	<i>Buildings \$'000</i>	<i>Computer Equipment \$'000</i>	<i>Vehicles \$'000</i>	<i>Other Plant & Equipment \$'000</i>	<i>Capital Work in Progress \$'000</i>	<i>Total \$'000</i>
Cost or Valuation							
Balance at Start of Period	-	-	916	402	4,214	13	5,545
Additions	-	-	18	-	20	25	63
Reclassification from Assets Held for Sale	51	1,826	-	-	-	-	1,877
Disposals	-	-	-	(78)	-	-	(78)
Balance at Period End	51	1,826	934	324	4,234	38	7,407
Depreciation and Impairment Losses							
Balance at Start of Period	-	-	784	335	3,450	-	4,569
Reclassification from Assets Held for Sale	-	464	-	-	-	-	464
Depreciation for the Period	-	39	23	13	82	-	157
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	(78)	-	-	(78)
Balance at Period End	-	503	807	270	3,532	-	5,112
Carrying Amounts							
At Start of Period	-	-	132	67	764	13	976
At Period End	51	1,323	127	54	702	38	2,295

20. Intangibles

	<i>31 December 2014 Purchased Software \$'000</i>	<i>30 June 2014 Purchased Software \$'000</i>	<i>31 December 2013 Purchased Software \$'000</i>
Cost			
Balance at Start of Period	164	164	164
Additions	65	-	-
Disposals	(120)	-	-
Balance at Period End	109	164	164
Amortisation and Impairment Losses			
Balance at Start of Period	164	158	158
Amortisation for the Period	9	6	6
Disposals	(120)	-	-
Balance at Period End	53	164	164
Carrying Amounts			
At Start of Period	-	6	6
At Period End	56	-	-

21. Trade and Other Payables

	31 December	30 June	31 December
	2014	2014	2013
	\$'000	\$'000	\$'000
Trade and Other Payables			
Other Trade Payables	2,124	1,538	2,190
Provisions	5	5	5
Non-Trade Payables and Accrued Expenses	891	601	728
	<u>3,020</u>	<u>2,144</u>	<u>2,923</u>

22. Borrowings

	31 December	30 June	31 December
	2014	2014	2013
	\$'000	\$'000	\$'000
Borrowings			
Debtor Financing	-	685	972
Short Term Borrowings	-	-	350
Redeemable Preference Shares	2,930	2,930	2,930
Mortgage Facility	1,193	1,193	1,193
	<u>4,123</u>	<u>4,808</u>	<u>5,445</u>
Current	-	685	1,322
Non-Current	4,123	4,123	4,123
	<u>4,123</u>	<u>4,808</u>	<u>5,445</u>

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

	31 December	30 June	31 December
	2014	2014	2013
	%	%	%
Borrowings			
Debtor Financing	12.00%	12.00%	12.00%
Short Term Borrowing	-	-	9.00%
Redeemable Preference Shares	9.00%	9.00%	9.00%
Mortgage Facility	8.25%	8.25%	8.25%

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 90 days' notice to the Company) to terminate the facility.

Short Term Borrowings

These funds were repaid during the six months ended 30 June 2014. \$300,000 of the borrowing were secured by a third ranking charge over the assets and undertakings of Speirs Foods Limited. The remaining \$50,000 were unsecured.

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 2015 the dividend rate will be 9.00% per annum. From 30 June 2015 the dividend rate will be reset 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%

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.

23. Contributed Capital

	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Balance at Beginning of Period	12,925	13,391	13,391
Redemption of Equity Element of Convertible Redeemable Preference Shares	-	(466)	(466)
Balance at Period End	12,925	12,925	12,925

Prior to their redemption in December 2013, the Company had issued Convertible Redeemable Preference Shares. 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 was accounted for as a component of Contributed Capital.

Ordinary Shares

	Ordinary Shares		
	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Number of Shares on issue at Start of Period	11,335	11,335	11,335
Number of Shares on issue at Period End	11,335	11,335	11,335

The total authorised number of ordinary shares is 11,334,576 (30 June 2014: 11,334,576; 31 December 2013 11,334,576). All issued shares were fully paid. There are no preferences or restrictions attached to this class of share.

Perpetual Preference Shares

	Perpetual Preference Shares		
	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
Number of Shares on issue at Start of Period	679	679	679
Number of Shares on issue at Period End	679	679	679

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

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

Issue price	\$1.00 each.
Dividends payable by the Company	Dividends are only payable if authorised by the Board. If authorised, dividends are payable at the higher of: (a) 9% per annum; and (b) the average bid and offered swap rate for a one year swap as quoted on the Reuters Screen Page "FISSWAP" (which is currently around 2.4%) plus 5%. No dividends may be authorised by the Board in respect of ordinary shares in the Company unless dividends are authorised in respect of the PPS and all dividends on the PPS, including authorised but unpaid dividends, have been paid.
Ranking in respect of dividends	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.
When redeemable	May, at the sole option of the Company, be redeemed by the Company at any time after 10 years from the issue date (i.e. from 2022).
Redemption amount payable by the Company	\$1.00 plus any authorised but unpaid dividends.
When convertible	Convertible at the election of the holder between 5 and 10 years from the date of issue (i.e. between 2017 and 2022).
Rate of conversion	1 PPS converts into 8 ordinary shares in the Company.
Ranking in liquidation	Behind the creditors of the Company, behind the 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:

	31 December 2014 \$'000	30 June 2014 \$'000	31 December 2013 \$'000
0.5c per Ordinary Share (30 June 2014: \$0.000; 31 December 2012: \$0.00)	57	-	-
4.5c per Perpetual Preference Share (30 June 2014: 9.0c per share; 31 December 2013: 4.5c per share)	31	61	31

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

	6 months 31 December 2014 \$'000	12 months 30 June 2014 \$'000	6 months 31 December 2013 \$'000
Reconciliation of Profit/(Loss) for the Period to Net Cash from Operating Activities			
Profit/(Loss) for the Period	511	2,019	141
Adjustments for Non-Cash Items:			
Depreciation and Impairment on Property, Plant and Equipment	185	368	157
Amortisation of Intangible Assets	9	6	6
Bad Debts Written Off	3	4	-
Impairment of Assets Held for Sale	-	153	-
Issue of Allied Farmers Limited Shares	-	(585)	-
Mark to Market Gain on Allied Farmers Limited Shares	(181)	(149)	-
Realised Gain on Sale of Allied Farmers Shares Treated as Investing Activity	(191)	-	-
Non Cash Loss on Speirs Securities Limited	7	48	45
Loss/(Gain) on Disposal of Property, Plant and Equipment	1	(19)	(10)
Reduction in Impairment on Allied Farmers Limited Debt Owning	-	-	(585)
Unwind of Discount on Convertible Redeemable Preference Shares	-	57	57
Share of Associates (Gains)/ Losses	(73)	(1,055)	28
	271	847	(161)
Movement in Other Working Capital Items:			
Change in Inventories	(293)	(38)	(233)
Change in Trade and Other Receivables and Other Assets	(980)	(47)	(1,260)
Change in Trade and Other Payables	876	56	834
Net Cash From Operating Activities	(126)	818	(820)

25. Related Parties

Transactions with Key Management Personnel

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

Key Management Personnel Compensation

	6 Months 31 December 2014 \$'000	12 Months 30 June 2014 \$'000	6 Months 31 December 2013 \$'000
Short-Term Employee Benefits	248	431	216
Termination Benefits	-	-	-
	248	431	216

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.

Transactions with related parties are summarised below:

- **Speirs Foods Limited**
 - Speirs Group Limited received a dividend of \$200,000 (30 June 2014: \$400,000; 31 December 2013: \$200,000) from Speirs Foods Limited.
 - Speirs Group Limited charged Speirs Foods Limited \$33,000 (30 June 2014: \$66,000; 31 December 2013: \$33,000) in respect of corporate services provided by Speirs Group Limited.
 - At 31 December 2014 Speirs Group Limited owed \$865,045 (30 June 2014: \$1,332,505; 31 December 2013: \$1,107,362) to Speirs Foods Limited.
- **Speirs Funding Limited**
 - Speirs Group Limited paid Speirs Funding Limited \$ Nil (30 June 2014 and 31 December 2013: \$50,000) in relation to an interest guarantee on secured and unsecured stock issued by Speirs Funding Limited. At 31 December 2014 and 2013 and 30 June 2014 the balance of the guarantee was \$Nil.
 - Speirs Group Limited received \$Nil (30 June 2014 and 31 December 2013: \$20,250) from Speirs Funding Limited in relation to interest on unsecured stock held by Speirs Group and issued by Speirs Funding Limited. At 31 December 2014 and 2013 and 30 June 2014 the balance of the unsecured stock was \$Nil.
- **Rosa Foods Limited**
 - Speirs Group Limited received a dividend on preference shares for \$5,750 (30 June 2014: \$10,000; 31 December 2013: \$5,000) from Rosa Foods Limited. At 31 December 2014 and 2013 and 30 June 2014 the balance of the preference shares was \$100,000.
 - Speirs Foods charged Rosa Foods Limited \$239,054 (30 June 2014: \$360,078; 31 December 2013: \$172,382) for freight and marketing services provided. At 31 December 2014 Rosa Foods Limited owed Speirs Foods Limited \$80,943 (30 June 2014: \$108,743; 31 December 2013: \$79,276).
- **Speirs Investments LP**
 - In the year ended 30 June 2014 Speirs Group Limited subscribed for \$100 of Partnership equity.
- **Advaro Financial Services Limited and its subsidiaries**
 - Speirs Group Limited received \$Nil (30 June 2014: \$1,300,000; 31 December 2013: \$ Nil) by way of establishment fees and setup cost reimbursement, know-how and systems.

- Speirs Group Limited has invested \$1,000,000 (30 June 2014: \$1,000,000; 31 December 2013: \$Nil) by way of subordinated debt into a wholly owned subsidiary of Advaro Financial Services Limited
- Speirs Group Limited received \$50,000 (30 June 2014:\$45,548; 31 December 2013: \$Nil) of interest on the subordinated debt. At 31 December 2014 the amount of accrued interest owing was \$8,333 (30 June 2014: \$Nil; 31 December 2013: \$Nil).

All interest and fees charged Partnership by 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.

26. Capital Commitments and Contingencies

The Group was committed to the following at year end:

	<i>Property Rentals \$'000</i>	<i>Capital Expenditure \$'000</i>	<i>Total \$'000</i>
31 December 2014			
Less than One Year	-	278	278
Between One and Five Years	-	-	-
More than Five Years	-	-	-
	-	278	278
30 June 2014			
Less than One Year	-	103	103
Between One and Five Years	-	-	-
More than Five Years	-	-	-
	-	103	103
31 December 2013			
Less than One Year	-	-	-
Between One and Five Years	-	-	-
More than Five Years	-	-	-
	-	-	-

Contingent Liabilities

The Company and Group have no contingent liabilities.

27. Events After the Reporting Period

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

28. Dividend or Distribution Reinvestment Plans

The Group has no such plans in place.

29. Net Tangible Assets per Security

	31 December 2014	30 June 2014	31 December 2013
	\$	\$	\$
Net Tangible Assets Per Security	0.22	0.19	0.03

30. Entities Over which Control has Been Gained or Lost During the Period

There have been no entities over which the Group has gained or lost control during the period.

31. Associates and Joint Ventures

The Group has no joint ventures. The Company has Associate entities – see note 16 for full details.