

Speirs Group Limited

Annual Report

for the year ended 30 June 2015

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Speirs Group Limited

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REPORTING BY DIRECTORS

Financial Performance

The 2014/15 year has seen further progress in rebuilding shareholder value.

The Group achieved a profit of \$544,000 compared to the previous year profit of \$2,019,000. The contributions to the overall profit after tax of \$544,000 can be summarised as:

	2015 \$000	2014 \$000	Improvement/ (Deterioration) %
Speirs Foods trading profit before interest	509	608	(16.3)
Associates' profit/(loss)			
- Rosa Foods Limited	141	34	314.7
- Advaro Financial Services Limited	(72)	1,061	(106.8)
- Speirs Nutritionals Partners LP	10	(40)	125.0
Establishment fees for setting up investment in Advaro Financial Services Limited	-	997	n/a
Realised and Unrealised Gains relating to the Settlement of the Debt Owning from Allied Farmers Limited	671	734	(8.6)
Corporate governance and refinancing costs	(298)	(812)	63.3
Net financing costs	(417)	(563)	25.9
Overall profit attributable to shareholders	544	2,019	(73.1)

The previous year included significant one-off gains from the establishment of Advaro Financial Services and the agreement for the settlement of the debt owing from Allied Farmers Limited. The 2014/15 year's profit included further gains from the increased value of shares held and sold in Allied Farmers and the write back of the previously impaired debt owing from Allied Farmers which was settled early in March 2015, (details of this transaction are outlined below).

The cash obtained from the sale of the shares and debt owing from Allied Farmers has allowed the reduction of debt held by the Group and this will result in lower financing costs in the future. As a result total Group borrowings reduced from \$4.8 million to \$3.7 million. Group equity improved from \$2.157 million to \$2.527 million.

Two dividends were paid in the 2015 year. 0.5c on 20 October 2014 and a further 0.5c on 10 April 2015. The directors have decided that a final dividend of 0.5 cents per share will be paid on 30 September 2015. The record date for the dividend will be 15 September 2015.

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 profit was \$273,000, down 33% on last year's profit of \$409,000. The reduced profit was primarily due to higher interest costs as the Foods business carried a higher share of the Group debt. Profit before interest of \$509,000 compares to last year's result of \$608,000.

Continued focus on growing sales resulted in Total Revenue of \$17.1m, up by 6% on last year's revenue of \$16.2m. Labour and material costs were also higher reflecting the increased sales and some inflationary effects. Customer demands put pressure on margins in the second half of the year and further investment is under consideration to reduce costs and improve returns.

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. There has been good growth in sales of the Speirs branded salad pottles introduced last year. Investment in new automated packaging and labelling equipment will improve the production efficiency for these pottles and also allow a wider range of package types and sizes to be produced easily.

In the coming year, Speirs Foods will maintain focus on increasing sales and making further gains in production efficiency, including further investment in new equipment where this can reduce costs and provide a rapid payback.

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.

Rosa Foods

Speirs Group holds a 40% shareholding Rosa Foods Limited. Based in Porirua, Rosa Foods manufacture our heat and eat meals, frittatas, bakes, salads, pasta sauces, pies and a new range of family pies which are sold through the two main supermarket chains. Rosa also undertakes a range of contract preparation of food for a number of other food retailers.

The profitability of Rosa improved significantly in the 2014/15 year and provided a \$141,000 contribution to the Speirs Group result.

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. In April 2014 another established finance business, RentPlus, which specialises in financing telco and computer based equipment, was acquired. All divisions now trade under the Advaro brand.

Speirs Group appoints a director to the Advaro board. Still 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. It is anticipated that the Advaro finance receivables book will grow sufficiently to allow the company to move into its future profit phase during the 2017 financial year.

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 8.97 million of these shares on market, realising cash of \$662,636 (net of brokerage) which has been applied to reducing debt. A realised gain of \$190,000 and an unrealised gain of \$54,000 on the remaining shares were recognised for the period.

In June 2015 Speirs Group reached agreement with Allied Farmers to settle the outstanding debt of \$500,000 due in April 2016 for \$400,000 in cash and the issue of a further 500,000 shares in Allied Farmers. This debt had been fully impaired meaning the settlement allowed a \$427,000 reversal of the previous impairment.

At 30 June 2015 Speirs Group still held 6,208,410 with a market value of \$335,254. During July 2015 the 6,208,410 Allied Farmers Limited shares held by Speirs Group Limited at 30 June 2015 were sold for \$363,780, net of commission paid.

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.

Speirs Nutritionals Partners LP (SNP)

SNP have sold the Intellectual Property, Processing Technology and Knowhow associated with its Omega-3 fish oil product and discontinued its manufacturing operations in New Zealand. This has enabled the re-leasing of the factory in Marton and the sale of the technical equipment. Revenue will arise from payments receivable when worldwide sales of the Omega-3 product range by the new owner commence. Other Intellectual Property/Knowhow development opportunities continue to be sought by SNP.

Corporate

Corporate non-financial costs have reduced and are kept at a minimum. Costs for the previous year included the costs of refinancing and establishing the new finance business.

Board of Directors

At 30 June 2015 the Board of Directors of the Company comprised three non-executive directors:

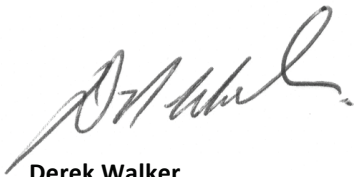
Derek Walker, B.E. (Hons), BBS., Chairman
Nelson Speirs, FCA.
Fred Hutchings BBS, FCA

Outlook

The Company has achieved significant progress over the last two years in re-building shareholder value and reducing borrowings. The one-off gains from the settlement of the Allied Farmers debt and the establishment of Advaro Financial Services have contributed significantly to this. Going forward profits must be obtained from Speirs Foods and our holding in associates, particularly Advaro and Rosa. The directors continue to closely monitor the performance of those companies and the investment in them. A summary of the present purpose, goals and key strategies for the Group is appended to this report.

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



Derek Walker
Chairman



Fred Hutchings
Director

31 August 2015

Speirs Group Limited

Purpose, Goals and Strategy

Purpose

Speirs Group is an active investment company focused on the food, logistics and finance sectors and aims to maximise returns to its investors and enhance the well-being of all its stakeholders.

Goals

- Investment returns over the medium term will exceed the average NZX50 return as measured by capital growth and dividends to shareholders.
- A range of investments will be held to ensure the Group is able to diversify risk.
- The Group Board will have appropriate governance input to investments commensurate with the size and percentage of the investment holding.
- Full or partial divestment of investments may be undertaken when the value that can be realised is greater than assessed value of retaining the investment or to lower the risk profile of the portfolio.
- The ratio of debt to debt plus equity increase to at least 50% in the next 3-5 years and then be maintained at no less than 50%.
- Corporate office costs will be kept to a minimum.

Summary of Present Investments

Investment	Holding	Type	Description
Speirs Foods	100%	Food - Active	Fresh food production and distribution
Advaro Financial Services	12%	Finance - Active	Advaro is involved in a number of activities in the finance sector in New Zealand.
Rosa Foods	40%	Food - Active	Prepared meal production and distribution, third party contract manufacturing
Speirs Nutritionals	60%	Food – Non Trading	Commercial development and marketing of Intellectual Property and Know How

Investment Criteria

Criteria to be considered for any investment are:

1. The investment is aligned with the core competencies of Speirs Group - food manufacture, marketing and distribution; or finance.
2. The investment has synergy with an existing investment that provides potential to increase sales, reduce costs and improve the profitability of the new and existing businesses.
3. Acceptable shareholder agreements are in place to ensure that SGL has appropriate governance input to investments commensurate with the size and percentage of the investment holding
4. The investment will within the short to medium term provide sufficient free cash to SGL to cover annual investment costs.
5. The amount of capital required is affordable for SGL and would not materially increase the financial risk to the business.

Summary of Strategy for Each Investment

Investment	Investment Strategy
Speirs Foods	<p>The present intention is to hold this investment to provide profitability and cash flow to the wider group.</p> <p>Speirs Foods strategy is to:</p> <ul style="list-style-type: none"> • Maintain the strong national position the Company has in the fresh salads market; • Grow sales by developing and marketing new products that are aligned with the business’s core competencies; • Improve the efficiency of production and distribution with targeted capital investment and continual improvement of processes and practices; • Maintain the highest levels of food safety and employee health and safety. <p>A partial or full divestment of this investment would be considered if a proposal provided a better outcome for shareholders. At present, the Group is not actively pursuing a divestment.</p>
Advaro Financial Services	<p>The present intention is to hold this investment while the company builds its business and shareholder value.</p> <p>As a minority shareholder Speirs Group Limited is only able to exert modest influence in relation to this entity. Management will be encouraged to move performance from the “start-up” phase to profitability as quickly as possible.</p> <p>There may be opportunities to invest further capital into this business and this will be considered and a decision made on the potential returns and the availability of funds within the Group.</p>
Rosa Foods	<p>The present intention is to maintain the current 40% shareholding.</p> <p>Rosa Food’s present strategy is to:</p> <ul style="list-style-type: none"> • Maintain the strong national position the Company has in the prepared meals market; • Grow prepared meal production and third party manufacturing opportunities by manufacturing products that are aligned with the business’s core competencies; • Improve the efficiency of production with targeted capital investment and continual improvement of processes and practices; • Maintain the highest levels of food safety and employee health and safety. <p>We will aim to maintain and build on synergies between Rosa Foods and Speirs Foods.</p> <p>A partial or full divestment of this investment would be considered if a proposal provided a better outcome for shareholders. At present, the Group is not actively pursuing a divestment.</p>
Speirs Nutritionals	<p>In the absence of any investment opportunities this investment will continue to await the receipt of any income from sales of Omega 3 products by the purchaser of the business rights. Additional investment would only be considered if an opportunity is presented which will provide a high probability of an appropriate return and which was supported by the other partners.</p>

FINANCIAL STATEMENTS

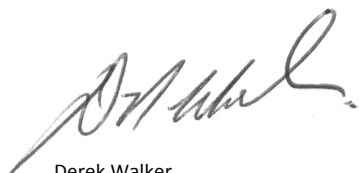
STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Notes	Group	
		June 2015 \$'000	June 2014 \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	12	122	781
Trade and Other Receivables	13	1,768	1,511
Prepayments		101	138
Loans, Advances and Investments	16	335	-
Inventories	14	469	413
Total Current Assets		2,795	2,843
Non Current Assets			
Investment in Associates	15	1,615	1,547
Loans, Advances and Investments	16	1,000	1,734
Property, Plant & Equipment	18	2,941	2,985
Intangible Assets	19	43	-
Total Non Current Assets		5,599	6,266
Total Assets		8,394	9,109
Liabilities			
Current Liabilities			
Trade and Other Payables	20	2,102	2,144
Borrowings	21	-	685
Total Current Liabilities		2,102	2,829
Non Current Liabilities			
Trade and Other Payables	20	38	-
Borrowings	21	3,727	4,123
Total Liabilities		5,867	6,952
Equity			
Contributed Capital	22	12,925	12,925
Accumulated Deficits		(10,398)	(10,768)
Capital & Reserves		2,527	2,157
Total Equity and Liabilities		8,394	9,109

The Board of Directors of Speirs Group Limited authorised these financial statements for issue on 31 August 2015.

Signed on behalf of the Board of Directors



Derek Walker
Chairman



Fred Hutchings
Director

31 August 2015

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

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Notes	Group	
		2015 \$'000	2014 \$'000
Revenue		16,939	15,947
Purchases of Raw Materials		(5,524)	(5,137)
Employee Benefits Expense	6	(4,498)	(4,174)
Freight, Packaging & Other		(5,261)	(5,148)
Net Trading Income		1,656	1,488
Other Income	7	930	2,166
Total Net Income earned from Operating Activities		2,586	3,654
Share of Gain and Gain on Acquisition of Associates	15	79	1,055
Other Expenses	8	(1,315)	(1,753)
Earnings Before Interest, Depreciation and Amortisation		1,350	2,956
Interest Income		106	51
Interest Expense		(523)	(614)
Net Interest Expense	9	(417)	(563)
Depreciation and Amortisation	18 & 19	(389)	(374)
Profit Before Income Tax		544	2,019
Income Tax (Expense)/ Benefit	10	-	-
Other Comprehensive Income		-	-
Total Comprehensive Income		544	2,019

	Note	Group	
		2015 Cents	2014 Cents
Total Profit per Share Attributed to Equity Holders of the Company :			
Basic Profit per Share	11	4.26	17.27
Diluted Profit per Share	11	4.26	17.27

The accompanying notes are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

Group

	<i>Contributed Capital \$'000</i>	<i>Accumulated Deficits \$'000</i>	<i>Total Equity \$'000</i>
Balance at 1 July 2014	12,925	(10,768)	2,157
Comprehensive Income			
Profit for the Year	-	544	544
Total Comprehensive Income	-	544	544
Transactions with Owners			
Dividends Paid on Ordinary Shares	-	(113)	(113)
Dividends Paid On Perpetual Preference Shares	-	(61)	(61)
Total Transactions with Owners	-	(174)	(174)
Balance at 30 June 2015	12,925	(10,398)	2,527

Group

	<i>Contributed Capital \$'000</i>	<i>Accumulated Deficits \$'000</i>	<i>Total Equity \$'000</i>
Balance at 1 July 2013	13,391	(13,192)	199
Comprehensive Income			
Profit 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

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

		<u>Group</u>	
	<i>Notes</i>	2015 <i>\$'000</i>	2014 <i>\$'000</i>
Cash Flows from Operating Activities			
Interest Received		106	51
Dividends Received		12	10
Fees in Relation to Establishment of Speirs Finance (NZ)		-	1,300
Cash Receipts from Customers		16,526	15,778
Other Income		659	406
Dividends Paid on Redeemable Preference Shares		(264)	(159)
Dividends Paid on Convertible Redeemable Preference Shares		-	(107)
Interest Expense		(238)	(262)
Cash Paid to Suppliers and Employees		(16,644)	(16,199)
Net Cash from Operating Activities	23	157	818
Cash Flows from Investing Activities			
Proceeds from Sale of Property, Plant & Equipment		102	5
Proceeds from Partial Redemption of Preference Shares in an Associate		12	-
Proceeds from Sale of Allied Farmers Limited Shares		670	-
Repayment of Investment in Speirs Nutritionals Partners LP		-	48
Repayment of Speirs Securities Limited Subordinated Debt		50	317
Investment in Subordinated Debt – Speirs Finance (NZ) LP		-	(1,000)
Acquisition of Intangibles		(65)	-
Acquisition of Property, Plant & Equipment		(330)	(163)
Net Cash Flows from Investing Activities		439	(793)
Cash Flows from Financing Activities			
Proceeds from Borrowings		-	2,543
Repayments of Borrowings		(1,081)	(2,152)
Dividends Paid on Ordinary Shares		(113)	-
Dividends Paid on Perpetual Preference Shares		(61)	(61)
Net Cash Flows from Financing Activities		(1,255)	330
Net Increase / (Decrease) in Cash and Cash Equivalents		(659)	355
Cash and Cash Equivalents at Beginning of Year		781	426
Cash and Cash Equivalents at Year End	12	122	781

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 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 31 August 2015.

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 Group's functional currency, and are rounded to the nearest thousand. They are prepared using the historical cost basis except where accounting policies detail otherwise.

Compliance with International Financial Reporting Standards

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

Entities Reporting

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

The Group is designated as a profit-oriented entity for financial reporting purposes.

Statutory Base

Speirs Group Limited is a company registered under the Companies Act 1993 and is a listed issuer under the terms of the Financial Reporting Act 2013. Being an issuer of shares and debt under the Financial Markets Conduct (FMC) Act 2013, Speirs Group Limited is an FMC entity for reporting purposes.

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, its wholly owned subsidiaries Speirs Foods Limited and Speirs Investments LP as at 30 June 2015. 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 Comparatives

Certain comparatives have changed to comply with current year presentation.

2.24 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 2015 that are relevant to the Group.

b) Standards not early adopted by the Group:

The Group 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 IFRS 15 Revenue from Contracts with Customers – effective for the year ending 30 June 2017

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

3 ESTIMATES AND JUDGMENTS

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

4 SEGMENT REPORTING

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

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

A summarised description of each business unit is shown below:

Speirs Foods	The supply of salad and fresh cut vegetables to retailers and caterers.
Other	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 12 months June 2015	Speirs Foods	Other	Reconciliation	Consolidated
	\$'000	\$'000	\$'000	\$'000
External Revenue				
Interest Income	2	104	-	106
Revenue	16,939	-	-	16,939
Other Income	199	810	-	1,009
Intersegment Revenue / (Eliminations)	-	466	(466)	-
Total Segment Revenue	17,140	1,380	(466)	18,054
Overall Segment Result	273	737	(466)	544
Income Tax Expense				-
Profit for the Year				544
Segment Assets	5,604	6,790	(4,000)	8,394
Segment Liabilities	2,866	3,001	-	5,867
Depreciation and Amortisation	389	-	-	389
Capital Expenditure	395	-	-	395

Two customers account for 83% of the total Revenue

Group 12 months June 2014	Speirs Foods	Other	Reconciliation	Consolidated
	\$'000	\$'000	\$'000	\$'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 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	-	-	188

Two customers account for 84% of the total Trading Revenue

5 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).

Group 30 June 2015	Available for	Loans and	Financial	Total	Fair Value
	Sale	Receivables	Liabilities at	Carrying	
	\$'000	\$'000	Amortised	Value	\$'000
			Cost		\$'000
Trade and Other Receivables	-	1,768	-	1,768	1,768
Loans, Advances and Investments	-	1,335	-	1,335	1,335
Cash and Cash Equivalents	-	122	-	122	122
	-	3,225	-	3,225	3,225
Trade and Other Payables	-	-	2,102	2,102	2,102
Borrowings	-	-	3,727	3,727	3,727
	-	-	5,829	5,829	5,829

Group 30 June 2014	Available for	Loans and	Financial	Total	Fair Value
	Sale	Receivables	Liabilities at	Carrying	
	\$'000	\$'000	Amortised	Value	\$'000
			Cost		\$'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

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	
	2015	2014
	\$'000	\$'000
Employee Benefits Expense		
Wages and Salaries	4,327	4,007
Other Personnel Expenses	171	167
Total Employee Benefits Expense	4,498	4,174

7 OTHER INCOME

	<i>Group</i>	
	2015	2014
	\$'000	\$'000
Other Income		
Gain on Sale on Property, Plant and Equipment	-	19
Establishment fee for Speirs Finance LP	-	1,000
Reimbursement of Costs in Relation to establishment of Speirs Finance LP	-	300
Less Costs in Relation to establishment of Speirs Finance LP	-	(303)
Rental Income	97	100
Issue of Allied Farmers Limited Shares in Part Settlement of Debt Due	-	585
Mark to Market Gain on Holding of Allied Farmers Limited Shares	54	149
Realised Gain on the Sale of Allied Farmers Limited Shares	190	-
Reversal of Impairment Provision on Debt Owing from Allied Farmers Limited	427	-
Operating Fees from Speirs Securities Limited	-	213
Other Income	162	103
Total Other Income	930	2,166

8 OTHER EXPENSES

	<i>Group</i>	
	2015	2014
	\$'000	\$'000
Other Expenses		
Fees Paid to Auditors		
Statutory Audit of Financial Statements	43	44
Other Services	-	-
Directors Fees – Parent	105	98
Directors Fees – Subsidiaries	54	64
Bad Debts Written Off	3	4
Insurance	235	304
Impairment of Assets for Sale	-	153
Legal Fees	13	188
Loss on Disposal of Property, Plant and Equipment	1	-
Change in Fair Value of Speirs Securities Limited	7	48
Refinancing Costs of Maturing Liabilities	-	157
Rental Expenditure	20	35
Other Expenses	834	658
Total Other Expenses	1,315	1,753

9 NET INTEREST INCOME/ (EXPENSE)

	<i>Group</i>	
	2015	2014
	\$'000	\$'000
Interest Income		
Cash and Cash Equivalents	4	5
Loans and Advances	102	46
Total Interest Income	106	51
Interest Expense		
Borrowings		
Convertible Redeemable Preference Shares Dividends	-	107
Unwind of Discount on Convertible Redeemable Preference Shares	-	57
Redeemable Preference Shares Dividends	264	159
Amortisation of Issue Costs of Redeemable Preference Shares	21	35
Redeemable Preference Shares – Early Bird Interest	-	7
Secured Stock	-	30
Debtor Financing	124	104
Mortgage	106	86
On all other borrowings	8	29
Total Interest Expense	523	614
Net Interest Income/(Expense)	(417)	(563)

10 INCOME TAX EXPENSE

	<i>Group</i>	
	2015	2014
	\$'000	\$'000
Tax Expense		
Current Tax	-	-
Deferred Tax Expense/(Benefit) – Note 17	-	-
Income Tax Expense/(Benefit)	-	-
	<i>Group</i>	
	2015	2014
	\$'000	\$'000
Reconciliation of Effective Tax Rate		
Profit Before Income Tax	544	2,019
Income Tax at 28%	152	565
Loss/(Gain) on Associates	(5)	(275)
Non-deductible Expenses	78	92
Tax Exempt Income	(188)	(205)
Unrecognised Future Income Tax Benefit	(37)	(177)
	-	-
	<i>Group</i>	
	2015	2014
	\$'000	\$'000
Imputation Credits		
Imputation Credits at Beginning of Year	3,570	3,697
Imputation Credits Attached to Redeemable Preference Share , Convertible Redeemable Preference Share, Ordinary Shares and Perpetual Preference Share Dividends Paid	(171)	(127)
Imputation Credits at End of Year	3,399	3,570

The imputation credits are available to shareholders of Speirs Group Limited through their shareholdings in Speirs Group Limited.

11 EARNINGS PER SHARE

Basic and Diluted Profit per Share

	<i>Group</i>	
	2015	2014
	\$'000	\$'000
Profit Attributable to Shareholders		
Profit for the Year	544	2,019
Dividends Paid on Perpetual Preference Shares	(61)	(61)
Profit for the Year Attributable to Shareholders	483	1,958
	<i>Group</i>	
	2015	2014
	'000	'000
Weighted Average Number of Ordinary Shares – Basic and Diluted		
Issued Ordinary Shares at Beginning of the Year	22	11,335
Issued Ordinary Shares at End of the Year		11,335
Weighted Average Number of Ordinary Shares at Period End – Basic and Diluted		11,335
		<i>Group</i>
	2015	2014
	Cents	Cents
Basic Profit per Share	4.26	17.27
Diluted Profit per Share	4.26	17.27

12 CASH AND CASH EQUIVALENTS

	<i>Group</i>	
	30 June	30 June
	2015	2014
	\$'000	\$'000
Cash and Cash Equivalents		
Cash at Bank	46	624
Short Term Deposits – Call	76	157
Total Cash & Cash Equivalents	122	781

All cash and cash equivalents are held in registered banks.

At 30 June 2015 and 30 June 2014 the Speirs Group Limited and Speirs Foods Limited had no overdraft facility.

13 TRADE AND OTHER RECEIVABLES

Group	30 June 2015		30 June 2014	
	Gross Amount	Carrying Amount	Gross Amount	Carrying Amount
	\$'000	\$'000	\$'000	\$'000
Trade and Other Receivables				
Trade Receivables	1,424	1,424	1,454	1,454
Owing from Pacific Invoice Finance	344	344	-	-
Subordinated Debt in Speirs Securities Limited	-	-	57	57
Total Trade and Other Receivables	1,768	1,768	1,511	1,511

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.

14 INVENTORIES

	Group	
	30 June 2015	30 June 2014
	\$'000	\$'000
Inventories		
Raw Materials and Consumables	391	360
Finished Goods	78	53
Total	469	413

No inventory is subject to retention of title clauses.

15 ASSOCIATE ENTITIES

Overall Summary

Investments Equity Accounted	Group	
	30 June 2015	30 June 2014
	\$'000	\$'000
Share of Rosa Foods Limited	604	475
Share of Speirs Nutritionals Partners LP	22	12
Share of Advaro Financial Services Limited	989	1,061
	1,615	1,547

Share of Profit/(Loss) and Gain on Acquisition of Associates	30 June 2015 \$'000	30 June 2014 \$'000
Share of Profit of Rosa Foods Limited	141	34
Share of Profit/(Loss) of Speirs Nutritionals Partners LP	10	(40)
Share of Profit/(Loss) of Advaro Financial Services Limited	(72)	-
Net Gain on Acquisition of Advaro Financial Services Limited	-	1,061
	79	1,055

(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 unaudited management accounts for the period ended 30 June 2015. Speirs Group Limited did not receive a dividend on ordinary shares from Rosa during the year ended 30 June 2015.

	<i>Group</i>	
	30 June 2015 \$'000	30 June 2014 \$'000
Opening Balance	475	441
Partial Redemption of Preference Shares	(12)	-
Share of surplus/(deficit) after tax of associate	141	34
Closing Balance	604	475

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

	2015 \$'000	2014 \$'000
Current Assets	1,122	753
Goodwill	495	495
Property Plant and Equipment	526	478
Total Assets	2,143	1,726
Current Liabilities	843	546
Non Current Liabilities	10	100
Total Liabilities	853	646
Net Assets	1,290	1,080

(b) 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 Speirs Group Limited'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 2015. 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>	
	2015 \$'000	2014 \$'000
Share of surplus/(deficit) of associate	10	(40)
Taxation expense	-	-
Share of surplus/(deficit) after tax of associate	10	(40)
Less share of dividends received	-	(48)
Net addition/(deletion) to the investment carrying value	10	(88)
Prior Year Balance Brought Forward	12	100
	22	12

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

	2015	2014
	\$'000	\$'000
Current Assets	39	71
Total Assets	39	71
Current Liabilities	3	51
Total Liabilities	3	51
Net Assets	36	20
Speirs Group Share (60.657%)	22	12

(c) 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 30 June 2015. 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.

	2015	2014
	\$'000	\$'000
Gain on Acquisition	-	1,667
Impairment of Goodwill post acquisition	-	(324)
Share of deficit since acquisition	(72)	(282)
Less share of dividends received	-	-
Net addition/(deletion) to the investment carrying value	(72)	1,061
Prior Year Balance Brought Forward	1,061	-
	989	1,061

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

	2015	2014
	\$'000	\$'000
Current Assets	5,026	5,124
Finance Receivables	77,905	46,971
Plant and Equipment	814	414
Future Income Tax Benefit	871	-
Intangible Assets	5,635	4,259
Total Assets	90,251	56,768
Current Liabilities	1,297	747
Funding Lines	80,547	46,998
Total Liabilities	81,844	47,745
Net Assets	8,407	9,023
Speirs Share (11.76%)	989	1,061

16 LOANS, ADVANCES AND INVESTMENTS

	<i>Group</i>	
	30 June 2015 \$'000	<i>30 June 2014 \$'000</i>
Subordinated Debt in Advaro Funding 2 LP	1,000	1,000
Shares in Allied Farmers Limited	335	734
Allied Farmers Debt Owning	-	500
	1,335	2,234
Provision for Impairment	-	(500)
	1,335	1,734
Current	335	-
Non-Current	1,000	1,734
	1,335	1,734

Subordinated Debt in Advaro Funding 2 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, Advaro Funding 2 LP. The investment is subordinated to all other liabilities of Advaro Funding 2 LP and, so long as Advaro Funding 2 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.

Shares in Allied Farmers Limited/Allied Farmers Limited Debt Owning

Speirs Group Limited sold its finance division to Allied Farmers Limited on 30 September 2008. As part consideration Speirs Group Limited 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 at that time were:

- 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.
 - On 29 June 2015 the above agreement was amended so that the \$500,000 owing would be settled early for \$400,000 in cash and the issue of an additional 500,000 new ordinary shares to Speirs Group Limited on or before 30 June 2015. The \$400,000 cash was received on 29 June 2015 and the additional 500,000 ordinary shares were allotted to Speirs Group Limited on 29 June 2015. At the time of issue of the new shares the Allied Farmers Limited shares were trading at 5.4c per share.

At 30 June 2015 Speirs Group Limited held 6,208,410 Allied Farmers Limited ordinary shares (30 June 2014: 14,678,487 ordinary shares).

During the year ended 30 June 2015 Speirs has disposed of 8,970,077 Allied Farmers shares by way of on market trading on NZX.

During July 2015 the 6,208,410 Allied Farmers Limited shares held by Speirs Group Limited at 30 June 2015 were sold for \$363,780, net of commission paid.

17 DEFERRED INCOME TAX ASSET

Unrecognised Deferred Tax Assets

The Group has a deferred tax asset of \$7,780,966 (2014: \$7,818,140) 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

	Land \$'000	Buildings \$'000	Computer Equipment \$'000	Vehicles \$'000	Other Plant & Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
Cost							
Balance at 30 June 2013	-	-	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
Balance at 30 June 2014	80	2,859	948	318	4,265	101	8,571
Additions	-	69	78	7	162	14	330
Disposals / Transfers	-	-	(469)	(52)	(240)	-	(761)
Balance at 30 June 2015	80	2,928	557	273	4,187	115	8,140
Depreciation							
Balance at 30 June 2013	-	-	784	335	3,450	-	4,569
Depreciation for the Year	-	122	48	22	176	-	368
Disposals	-	-	-	(74)	-	-	(74)
Reclassification from Assets held for Sale	-	723	-	-	-	-	723
Balance at 30 June 2014	-	845	832	283	3,626	-	5,586
Depreciation for the Year	-	118	67	13	169	-	367
Disposals	-	-	(467)	(50)	(237)	-	(754)
Balance at 30 June 2015	-	963	432	246	3,558	-	5,199
Carrying Amounts							
At 30 June 2014	80	2,014	116	35	639	101	2,985
At 30 June 2015	80	1,965	125	27	629	115	2,941

All assets are used for food processing purposes.

19 INTANGIBLE ASSETS

	30 June 2015 Purchased Software \$'000	30 June 2014 Purchased Software \$'000
Cost		
Balance at Beginning of Year	164	164
Additions	65	-
Disposals	(120)	-
Balance at End of Year	109	164
Amortisation		
Balance at Beginning of Year	164	158
Amortisation for the Year	22	6
Disposals	(120)	-
Balance at End of Year	66	164
Carrying Amounts		
At Beginning of Year	-	6
At End of Year	43	-

20 TRADE AND OTHER PAYABLES

	<i>Group</i>	
	<i>30 June 2015 \$'000</i>	<i>30 June 2014 \$'000</i>
Trade and Other Payables		
Trade Payables	1,380	1,538
Provisions	5	5
Other Payables and Accrued Expenses	755	601
	2,140	2,144
Current	2,102	2,144
Non-Current	38	-
	2,140	2,144

21 BORROWINGS

	<i>Group</i>	
	<i>30 June 2015 \$'000</i>	<i>30 June 2014 \$'000</i>
Borrowings		
Debtor Financing Facility	-	685
Mortgage Facility	797	1,193
Redeemable Preference Shares	2,930	2,930
	3,727	4,808
Current	-	685
Non-Current	3,727	4,123
	3,727	4,808

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

	<i>Group</i>	
	30 June 2015 %	<i>30 June 2014 %</i>
Borrowings		
Debtor Financing Facility	12.00%	12.00%
Mortgage Facility	8.25%	8.25%
Redeemable Preference Shares	9.00%	9.00%

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) Speirs Foods Limited has the right (after giving 90 days' notice to the financier) to terminate the facility; (ii) the financier has the right (after giving 90 days' notice to Speirs Foods Limited) to terminate the facility.

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.

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 Speirs Group Limited has the right to redeem at any time before the scheduled redemption date. The redeemable preference shares rank behind all other liabilities of Speirs Group Limited 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 and 2015 the dividend rate was reset to 9.00%

22 CONTRIBUTED CAPITAL

Group

	30 June 2015 \$'000	<i>30 June 2014 \$'000</i>
Balance at 1 July	12,925	13,391
Redemption of Equity Element of Convertible Redeemable Preference Shares	-	(466)
Balance at Year End	12,925	12,925

The Group 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

	Ordinary Shares	
	30 June 2015 '000	<i>30 June 2014 '000</i>
Number of Shares on issue at 1 July	11,335	11,335
Number of Shares on issue at Period End	11,335	11,335

The total authorised number of ordinary shares is **11,334,576** (30 June 2014: 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	Perpetual Preference Shares	
	30 June 2015 '000	30 June 2014 '000
Number of Shares on issue at 1 July	679	679
Number of Shares on issue at Period End	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 Speirs Group Limited	Dividends are only payable if authorised by the Board. If authorised, dividends are payable at the higher of: <ul style="list-style-type: none"> (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 Speirs Group Limited 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 RPS, equally with all other dividends payable on the PPS, and ahead of dividends payable on ordinary shares in Speirs Group Limited and any other shares in Speirs Group Limited that are expressed to rank behind the PPS.
When redeemable	May, at the sole option of Speirs Group Limited, be redeemed by Speirs Group Limited at any time after 10 years from the issue date (i.e. from 2022).
Redemption amount payable by Speirs Group Limited	\$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 Speirs Group Limited.
Ranking in liquidation	Behind the creditors of Speirs Group Limited, behind the RPS holders, but ahead of ordinary shareholders and any other holders of shares that are expressed to rank behind the RPS.

Dividends

The following dividends were declared and paid by Speirs Group Limited:

	30 June 2015 '000	30 June 2014 '000
1.0c per Qualifying Ordinary Share (30 June 2014: \$0.00)	113	-
9.0c per Qualifying Perpetual Preference Share (30 June 2014: 9.00c)	61	61

23 RECONCILIATION OF PROFIT AFTER TAX FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	<i>Group</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2015</i>	<i>2014</i>
	<i>\$'000</i>	<i>\$'000</i>
Reconciliation of Profit After Tax for the Year to Net Cash from Operating Activities		
Profit for the Year	544	2,019
Adjustments for Non-Cash Items:		
Depreciation of Property, Plant and Equipment	367	368
Amortisation of Intangible Assets	22	6
Impairment of Assets Held for Sale	-	153
Issue of Allied Farmers Limited Shares	(27)	(585)
Mark to Market Gain on Allied Farmers Limited Shares	(54)	(149)
Realised Gain on Disposal of Allied Farmers Limited Shares	(190)	-
Bad Debts Written-off	3	4
Non Cash Loss on Speirs Securities Limited	7	48
Share of Associates (Gains)/ Losses	(79)	(1,055)
Unwind of Discount on Convertible Redeemable Preference Shares	-	57
(Gain) / Loss on Sale of Property Plant and Equipment	1	(19)
	594	847
Movement in Other Working Capital Items:		
Change in Inventories	(56)	(38)
Change in Trade and Other Receivables	(377)	(47)
Change in Trade and Other Payables	(4)	56
Net Cash From Operating Activities	157	818

24 RELATED PARTIES

Transactions with Key Management Personnel

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

Key management personnel compensation comprised:

	<i>Group</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2015</i>	<i>2014</i>
	<i>\$'000</i>	<i>\$'000</i>
Short-Term Employee Benefits	442	431
Termination Benefits	-	-
	442	431

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 Nutritionals Partners LP (a Limited partnership in which Speirs Group has a 60.57% interest), Speirs Investments LP (a Limited Partnership in which Speirs Group Limited is the sole Limited Partner), Advavo 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 2015 with related parties are summarised below:

- **Speirs Foods Limited**
 - Speirs Group Limited received a dividend of \$400,000 (30 June 2014: \$400,000) from Speirs Foods Limited.
 - Speirs Group Limited charged Speirs Foods Limited \$66,000 (30 June 2014: \$66,000) in respect of corporate services provided by Speirs Group Limited.
 - At 30 June 2015 Speirs Group Limited owed \$242,659 (30 June 2014: \$1,332,505) to Speirs Foods Limited.

- **Rosa Foods Limited**
 - Speirs Group Limited received a dividend on preference shares for \$11,990 (30 June 2014: \$10,000) from Rosa Foods Limited. At 30 June 2015 the balance of the preference shares was \$88,000 (30 June 2014: \$100,000).
 - Speirs Foods charged Rosa Foods Limited \$508,012 (30 June 2014: \$360,078) for freight and marketing services provided. At 30 June 2015 Rosa Foods Limited owed Speirs Foods Limited \$52,615 (30 June 2014: \$108,743).

- **Advaro Financial Services Limited and its subsidiaries**
 - Speirs Group Limited received \$Nil (30 June 2014: \$1,300,000) 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) by way of subordinated debt into a wholly owned subsidiary of Advavo Financial Services Limited
 - Speirs Group Limited received \$100,000 (30 June 2014: \$45,548) of interest on the subordinated debt. At 30 June 2015 the amount of accrued interest owing was \$8,333 (30 June 2014: \$Nil).

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 was committed to capital expenditure of \$114,545 for the year ended 30 June 2015 (30 June 2014: \$102,503)

Contingent Liabilities

At 30 June 2015 the Group had no contingent liabilities (2014: Same)

26 EVENTS AFTER THE REPORTING PERIOD

- During July 2015 the 6,208,410 Allied Farmers Limited shares held by Speirs Group Limited at 30 June 2015 were sold for \$363,780, net of commission paid.
- On 31 August 2015 the directors declared a final dividend on Speirs Group Limited's ordinary shares of 0.5c per share (Record date: 15 September 2015; payment date 30 September 2015)

There have been no other 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 has 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:

	<i>Group</i>	
	<i>June 2015 \$'000</i>	<i>June 2014 \$'000</i>
Cash and Cash Equivalents	122	781
Trade and Other Receivables	1,768	1,511
Loans and Advances	1,000	1,000

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:

Group	Loans and Advances		Trade and Other Receivables	
	<i>June 2015 \$'000</i>	<i>June 2014 \$'000</i>	<i>June 2015 \$'000</i>	<i>June 2014 \$'000</i>
Carrying Amount	1,000	1,000	1,768	1,511
Past Due but not Impaired	-	-	13	14
Neither Past Due nor Impaired	1,000	1,000	1,755	1,497
Allied Farmers Limited Debt Due	-	500	-	-
Impairment Provision	-	(500)	-	-
Total Carrying Amount	1,000	1,000	1,755	1,511

Trade and other receivables totalling \$13,092 (2014: \$14,488) 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 2015	Carrying Amount \$'000	Gross Nominal 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	122	122	122	-	-	-	-	-
Loans and Advances	1,000	1,500	-	25	25	50	100	1,300
Trade and Other Receivables	1,768	1,768	-	1,768	-	-	-	-
Total	2,890	3,390	122	1,793	25	50	100	1,300

Group 2015	Carrying Amount \$'000	Gross Nominal 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 Liabilities</i>								
Trade and Other Payables	2,140	2,140	-	2,102	-	-	38	-
Borrowings	3,727	4,389	-	82	82	165	1,064	2,996
Total	5,867	6,529	-	2,184	82	165	1,102	2,996

Group 2014	Carrying Amount \$'000	Gross Nominal 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	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

Group 2014	Carrying Amount \$'000	Gross Nominal 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 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

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.

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 2015	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	122	46	76	-	-	-	-
Loans and Advances	1,000	-	-	-	1,000	-	-
	1,122	46	76	-	1,000	-	-
Borrowings	3,727	-	-	-	2,930	797	-
	3,727	-	-	-	2,930	797	-
	(2,605)	46	76	-	(1,930)	(797)	-
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	\$'000	\$'000
Cash and Cash Equivalents	781	624	157	-	-	-	-
Loans and Advances	1,000	-	-	-	1,000	-	-
	1,781	624	157	-	1,000	-	-
Borrowings	4,808	-	-	685	(2,930)	-	1,193
	4,808	-	-	685	(2,930)	-	1,193
	(3,027)	624	157	(685)	(1,930)	-	(1,193)

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 2015 \$'000	30 June 2014 \$'000
Contributed Equity	12,925	12,925
Accumulated Deficits	(10,398)	(10,678)
Total Equity Balance at Period End	2,527	2,157

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	
		2015	2014
Speirs Foods Limited	Food processing company	100%	100%
Speirs Securitisation Management Limited	General Partner for Speirs Investments LP	100%	100%
Speirs Investments LP	Limited Partnership holding an 11.76% investment in Advaro Financial Services Limited	100%	100%
Speirs Securitisation LP (this entity was removed from the Register of Limited Partnerships on 6 January 2015)	Limited Partnership providing Administrative services to a securitisation programme	-	100%

29 DIVIDEND DISTRIBUTION REINVESTMENT PLANS

The Group has no such plans in place.

30 NET TANGIBLE ASSETS PER SECURITY

	30 June 2015	30 June 2014
Net Tangible Assets Per Security - \$ per security	0.22	0.19

31 ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING YEAR

During the year Speirs Securitisation LP was, at the request of Speirs Group Limited, removed from the Register of Limited Partnerships.

32 JOINT VENTURES

The Group has no joint ventures.

AUDITORS' REPORT



Independent auditor's report

To the shareholders of Speirs Group Limited

Report on the group financial statements

We have audited the accompanying consolidated financial statements of Speirs Group Limited and its subsidiaries ("the group") on pages 7 to 36. The financial statements comprise the consolidated statement of financial position as at 30 June 2015, the consolidated 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.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements 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 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 consolidated 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 group.

Opinion

In our opinion, the consolidated financial statements on pages 7 to 36 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of Speirs Group Limited as at 30 June 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

KPMG

STATUTORY INFORMATION

Principal activities

Speirs Group Limited operates as a holding company. At 30 June 2015 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 Advavo Financial Services Limited
Rosa Foods Limited	40% owned associate	Prepared meal production and distribution
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 Speirs Group Limited at 30 June 2015:		
Nelson Speirs	1,047,678	705,489
Derek Walker	-	-
Fred Hutchings	-	-
Nelson Speirs (as Co-Trustee)	-	1,383,145
Lee Simpson (as alternate for Fred Hutchings)	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 Speirs Group Limited at 30 June 2015:		
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 Speirs Group Limited at 30 June 2015:		
Derek Walker	30,000	-
Lee Simpson (as alternate for Fred Hutchings)	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 14 July 2014 Nelson Speirs declared that he had resigned as a director of Vantage General Partner (NZ) Limited and Speirs Finance (NZ) Limited.
- On 14 July 2014 Keith Taylor declared that he had resigned as a director of Advaro Financial Services Limited, Vantage General Partner (NZ) Limited and Speirs Finance (NZ) Limited.
- On 25 August 2014 Derek Walker declared his appointment as a Trustee of the Wildbase Recovery Community Trust
- On 29 September 2014, upon his appointment to the Board, Fred Hutchings declared the following interests:
 - He is a director of:
 - TSC Papanui Limited
 - Amwell Holdings Limited
 - Walker Nominees Limited
 - Seeka Kiwifruit Industries Limited & Associated Companies
 - He is the Chair of:
 - Ministry Foreign Affairs and Trade Audit and Risk Committee
 - Office of the Auditor General Audit and Risk Committee
 - NZICA Audit Regulation Advisory Group
 - He is the Vice President Designate of Chartered Accountants Australia + New Zealand
 - He is the Convenor of Commerce Commission Audit Finance and Risk Management
- On 19 December 2014 Fred Hutchings declared His appointment as President of Chartered Accountants Australia and New Zealand and that he was no longer as President of the NZ Institute of Chartered Accountants as this entity has been disbanded as the result of legislative changes
- On 29 January 2015 Nelson Speirs declared his appointment as a director of Advaro Limited and Advaro Funding Limited. He also declared that his directorship of Speirs Finance (NZ) Limited had terminated consequent upon this entity's amalgamation with Advaro Limited.
- On 30 March 2015 Derek Walker declared that he had resigned as a Trustee of the Vision Manawatu Trust
- On 30 March 2015 Nelson Speirs declared that he had retired as a director of BCC Limited and its associated companies, with effect from 31 March 2015
- On 5 May 2015 Lee Simpson (as alternate for Nelson Speirs) 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
 - 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 2015

Director	Entity	Relationship
Derek Walker	Palmerston North Airport Limited	Director (Chair)
	BCC 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
	Wilson Cook Limited	Director
	Wildbase Recovery Community Trust	Trustee
Nelson Speirs	S N Management Limited	Director
	MMM Holdings Limited	Director (Chair)
	Speirs Foods Limited	As alternate for Robert Speirs and John McCliskie
	Speirs Securitisation Management Limited	Director
	Advaro Financial Services Limited	Director
	Advaro Funding Limited	Director
	Advaro General Partner (NZ) Limited	Director
	Advaro Limited	Director
Fred Hutchings	TSC Papanui Limited	Director
	Amwell Holdings Limited	Director
	Walker Nominees Limited	Director

	Seeka Kiwifruit Industries Limited & Associated Companies	Director
	Chartered Accountants Australia + New Zealand	President
	Ministry Foreign Affairs and Trade Audit and Risk Committee	Member (Chair)
	Office of the Auditor General Audit and Risk Committee	Member (Chair)
	Commerce Commission Audit Finance and Risk Management	Convenor
	NZICA Audit Regulation Advisory Group	Member (Chair)
Lee Simpson (as alternate for Nelson Speirs and Fred Hutchings)	Lee Simpson Advisory Limited	Director and sole shareholder
	S N Management Limited	Director
	Rosa Foods Limited	Director
	Country Choice Limited	Director
	Pacific Gourmet Limited	Director

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 2015, is as follows:

Name	Parent Subsidiary/Associate			Total Remuneration	
	Consultants Fees	Company Directors Fees	Company Directors Fees		
Keith Taylor (retired 30/10/14)	\$ Nil	\$15,000	\$ Nil	\$ 15,000	Independent Director
Derek Walker	\$ Nil	\$32,500	\$22,500	\$55,000	Independent Director and Chair
Nelson Speirs	\$ Nil	\$31,333	\$10,667	\$42,000	Non Independent Director
Fred Hutchings (appointed 11/10/14)	\$ Nil	\$26,333	\$ Nil	\$26,333	Independent Director
Lee Simpson (as alternate)	\$ 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 Speirs Group Limited.

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 2015 and as at 30 June 2014, 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 2015 were:

	Group
• \$160,000 - \$169,999	1
• \$190,000 - \$199,999	1

STATUTORY DISCLOSURE IN RELATION TO SHAREHOLDERS

Twenty largest shareholders at 30 June 2015

	<i>Fully Paid</i> <i>Ordinary Shares</i>	<i>Percentage of</i> <i>Issued Voting Capital</i>
Nelson Speirs	1,047,678	9.24%
Donald Speirs	900,523	7.94%
Active Equity Holdings Limited	717,068	6.33%
Nelson Speirs, Mary Speirs, Robert Speirs, Susan Le Moigne and Glendinnings Trustee Company Limited	705,489	6.22%
Donald Speirs, John Wilson	642,273	5.67%
Nelson Speirs, Mary Speirs, Robert Speirs, Susan Le Moigne and Glendinnings Trustee Company Limited	521,222	4.60%
Keith Taylor	500,000	4.41%
Donald Speirs, Nelson Speirs, John Wilson	421,790	3.72%
David Speirs, Rebecca Speirs	271,388	2.39%
Donald Speirs, Nelson Speirs, John Wilson	257,206	2.27%
K Mody	186,682	1.64%
M Le Moigne	109,385	0.97%
M W Speirs	102,994	0.91%
M B Beale	102,394	0.90%
Nelson Speirs, Mary Speirs, Robert Speirs, Susan Le Moigne and Glendinnings Trustee Company Limited	100,000	0.88%
Cervelo Investments Limited	95,302	0.84%
P O Belk, B Belk	91,614	0.81%
Nelson Speirs, Susan Le Moigne and Glendinnings Trustee Company Limited	82,927	0.73%
E D Fogarty	78,889	0.70%
R J Doey	76,556	0.68%
	7,011,380	61.85%

Shareholder Statistics at 30 June 2015

<i>Ordinary Shares</i>	<i>Holders</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
1 to 999	29	5.28	14,147	0.12
1,000 to 4,999	264	48.09	615,151	5.43
5,000 to 9,999	86	15.66	598,381	5.28
10,000 to 99,999	155	28.24	3,520,805	31.06
100,000 and over	15	2.73	6,586,092	58.11
	549	100.00	11,334,576	100.00

Substantial Security Holders at 24 August 2015

The following information is provided in compliance with Section 26 of the Securities Markets Act 1988 and is stated as at 24 August 2015. 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 2015 the Board of Directors of Speirs Group Limited is comprised of three Non-Executive Directors. All Directors have served for the whole year with the exception of Keith Taylor (who retired on 30 October 2014) and Fred Hutchings (who was appointed to the Board on 11 September 2014).

Non-Executive Directors

Derek Walker (Chairman) , BE (Hons), BBS

Nelson Speirs, FCA

Fred Hutchings BBS, FCA

Lee Simpson BBS, CA, ACIS (acted as alternate for Nelson Speirs for the period 5 May 2015 to 11 June 2015 and as an alternate for Fred Hutchings for the period 24 June 2015 to 20 July 2015)

Company Secretary

Lee Simpson BBS, CA, ACIS, AGNZ

Email: 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

Advisors/Service Suppliers

Auditors

KPMG

Bankers

Bank of New Zealand

Solicitors

Chapman Tripp

