

SPEIRS GROUP LIMITED
REPORT TO SHAREHOLDERS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2012

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Directors' Commentary

Profitability

The overall loss of \$332,000 for the company during the six months was a disappointing result.

Speirs Foods faced difficult trading conditions during the period and this resulted in reduced levels of profitability despite trading income being up on the comparable period. The losses from associates are down significantly with most of Speirs Nutritionals plant now having been sold. The corporate governance and financing costs were both reduced with the latter being partly due to the replacement of some convertible redeemable preference shares with perpetual preference shares during 2012.

The six months trading results can be summarised as:

	2012 \$000	2011 \$000	Improvement/ (Deterioration) %
Speirs Foods profit	77	293	(73.7)
Associates' profit/(loss) (including Speirs Nutritionals)	(55)	(131)	58.0
Corporate governance costs	(128)	(165)	22.4
Net financing costs	(226)	(279)	19.0
Overall loss attributable to shareholders	(332)	(282)	(17.7)

The directors are committed to ensuring the company returns to acceptable levels of profitability as soon as possible and are instigating changes at Speirs Foods to improve the profit performance.

Speirs Foods Limited

The introduction of new products in Speirs Foods during the period has improved sales but the additional costs, including set-up costs and initial inefficiencies, have been a significant cause of the reduced levels of profit. Trading Income for Speirs Foods of \$7.476 million was up 5.2% on last year's \$7.108 million. But the trading margin fell to 1.0% from last year's 4.1%

The range of products is still largely salad based and highest sales levels are achieved during the summer months. Various initiatives are being taken to achieve growth in sales volumes and to provide products that are in demand throughout the year.

These initiatives, along with a prolonged period of fine weather, have seen improved revenue and profit results achieved by Speirs Foods in the first two months of 2013.

Speirs Nutritionals Partners LP (SNP)

As previously advised, 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.

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 (previously Allied Nationwide Finance Limited). The receivables are all due to be repaid by October 2014. The run-down has proceeded in accordance with expectations.

Allied Nationwide Finance Limited (In Receivership) ("ANFL") Bonds

Speirs Group holds 2 million perpetual bonds in ANFL. The company has the option to put the bonds to Allied Farmers Limited in September 2013 in return for a payment of \$2 million. The full value of these bonds has been written off. No income is currently being received on these bonds.

Corporate

Corporate costs have been further reduced and overheads are kept to a bare minimum.

Outlook

Trading conditions continue to be challenging with few signs of real growth in the food sector. Many of the significant issues which have affected the company significantly in recent years have largely been addressed and the profit impacts absorbed. The focus is now on business improvement and new growth opportunities as the basis for a return to acceptable profitability. The capital structure and term debt of the company will also be reviewed during coming months with significant borrowings maturing late in 2013.

For and on behalf of the Directors,

A handwritten signature in black ink, appearing to read "K Taylor". The signature is written in a cursive, somewhat stylized font.

Keith Taylor
Chairman of Directors
Speirs Group Limited

8 March 2013

FINANCIAL STATEMENTS

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

- The six month period ended, and as at, 31 December 2012 are unaudited;
- The financial statements for the year ended, and as at, 30 June 2012 have been audited; and
- The six month period ended, and as at, 31 December 2011 are unaudited.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

		<i>December</i>	<i>June</i>	<i>December</i>
	<i>Notes</i>	2012	2012	2011
		\$'000	\$'000	\$'000
Assets				
Current Assets				
Cash and Cash Equivalents	13	656	339	317
Trade and Other Receivables	14	1,858	1,205	1,796
Loans and Advances	17	200	200	-
Inventories	15	556	376	426
Total Current Assets		3,270	2,120	2,539
Non Current Assets				
Investment in Associates	16	646	701	846
Trade and Other Receivables	14	573	543	-
Loans and Advances	17	-	-	200
Property, Plant & Equipment	19	3,283	3,401	3,673
Intangibles	20	11	17	23
Total Non Current Assets		4,513	4,662	4,742
Total Assets		7,783	6,782	7,281
Liabilities				
Current Liabilities				
Borrowings	22	3,643	-	-
Trade and Other Payables	21	2,966	1,814	1,875
Total Current Liabilities		6,609	1,814	1,875
Non Current Liabilities				
Borrowings	22	655	4,086	4,639
Total Non Current Liabilities		655	4,086	4,639
Total Liabilities		7,264	5,900	6,514
Equity				
Contributed Capital	23	13,391	13,391	12,807
Accumulated Deficits		(12,872)	(12,509)	(12,040)
Capital & Reserves		519	882	767
Total Equity and Liabilities		7,783	6,782	7,281

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

STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2012

		6 months	12 months	6 months
		31 December	30 June	31 December
		2012	2012	2011
		\$'000	\$'000	\$'000
Revenue		7,476	13,393	7,108
Movement in Inventory Levels		180	-	50
Purchases of Raw Materials		(2,732)	(4,418)	(2,439)
Employee Benefits Expense	7	(2,102)	(3,413)	(1,810)
Freight, Packaging & Other		(2,467)	(4,296)	(2,101)
Net Trading Income		355	1,266	808
Other Income	8	369	746	68
Total Net Income Earned from Operating Activities		724	2,012	876
Share of Gain/(Loss) of Associates	16	(55)	(276)	(131)
Other Expenses	9	(552)	(1,396)	(491)
Earnings Before Interest, Depreciation and Amortisation		117	340	254
Interest Income		13	29	14
Interest Expense		(267)	(616)	(313)
Net Interest Expense	10	(254)	(587)	(299)
Depreciation, Impairment and Amortisation	19,20	(195)	(504)	(237)
Profit/(Loss) Before Income Tax		(332)	(751)	(282)
Income Tax (Expense)/ Benefit	11	-	-	-
Profit/(Loss) After Income Tax		(332)	(751)	(282)
Total Earnings per Share Attributed to Equity Holders of the Company:				
Basic Loss per Share (c/share)	12	(2.93)	(6.77)	(2.54)
Diluted Loss per Share (c/share)	12	(2.93)	(6.77)	(2.54)

The accompanying notes are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2012

	<i>Contributed Capital \$'000</i>	<i>Accumulated Deficits \$'000</i>	<i>Total Equity \$'000</i>
Balance at 30 June 2012	13,391	(12,509)	882
Comprehensive Income			
Profit/(Loss) for the Period	-	(332)	(332)
Total Comprehensive Income	-	(332)	(332)
Transactions with Owners			
Dividends on Perpetual Preference Shares	-	(31)	(31)
Total Transactions with Owners	-	(31)	(31)
Balance at 31 December 2012	13,391	(12,872)	519

For the year ended 30 June 2012

	<i>Contributed Capital \$'000</i>	<i>Accumulated Deficits \$'000</i>	<i>Total Equity \$'000</i>
Balance at 1 July 2011	12,757	(11,758)	999
Comprehensive Income			
Profit/(Loss) for the Year	-	(751)	(751)
Total Comprehensive Income	-	(751)	(751)
Transactions with Owners			
Issue of Ordinary Shares	50	-	50
Issue of Perpetual Preference Shares	584	-	684
Total Transactions with Owners	634	-	634
Balance at 30 June 2012	13,391	(12,509)	882

For the six months ended 31 December 2011

	<i>Contributed Capital \$'000</i>	<i>Accumulated Deficits \$'000</i>	<i>Total Equity \$'000</i>
Balance at 30 June 2011	12,757	(11,758)	999
Comprehensive Income			
Profit/(Loss) for the Period	-	(282)	(282)
Total Comprehensive Income	-	(282)	(282)
Transactions with Owners			
Issue of Ordinary Shares	50	-	50
Total Transactions with Owners	50	-	50
Balance at 31 December 2011	12,807	(12,040)	767

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

for the six months ended 31 December 2012

		6 months	12 months	6 months
		31 December	30 June	31 December
		2012	2012	2011
	<i>Notes</i>	\$'000	\$'000	\$'000
Cash Flows from Operating Activities				
Interest Received		13	29	14
Dividends Received		5	10	5
Cash Receipts from Customers		6,834	13,367	6,530
Other Income		334	193	63
Dividends Paid on Convertible Redeemable Preference Shares		(116)	(289)	(142)
Interest Expense		(89)	(170)	(87)
Cash Paid to Suppliers and Employees		(6,712)	(13,192)	(6,520)
Net Cash from Operating Activities	24	269	(52)	(137)
Cash Flows from Investing Activities				
Proceeds from Sale of Property, Plant and Equipment		-	43	4
Acquisition of Property, Plant & Equipment		(71)	(105)	(45)
Net Cash Flows from Investing Activities		(71)	(62)	(41)
Cash Flows from Financing Activities				
Proceeds from borrowings		150	205	200
Repayments of Borrowings		-	-	-
Costs of Issuing Equity (PPS)		-	(47)	-
Dividends Paid on Perpetual Preference Shares		(31)	-	-
Issue of Ordinary Shares		-	50	50
Net Cash Flows from Financing Activities		119	208	250
Net Increase / (Decrease) in Cash and Cash Equivalents		317	94	72
Cash and Cash Equivalents at Beginning of Period		339	245	245
Cash and Cash Equivalents at Period End	13	656	339	317

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

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

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

Compliance with International Financial Reporting Standards

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

Entities Reporting

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

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

Statutory Base

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

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

Critical Accounting Estimates

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

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

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

2.2 Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of Speirs Group Limited ('company' or 'parent entity'), its wholly owned subsidiaries Speirs Foods Limited, Speirs Securitisation LP and Speirs Investments Limited as at 30 June 2012. Speirs Group Limited and its wholly owned subsidiaries are referred to in these financial statements as the Group or the consolidated entity.

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

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

2.3 Associates

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

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

2.4 Financial Assets

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

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

Loans and Advances

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

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

2.5 Compound Financial Instruments

Compound financial instruments issued by the group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The equity component of a compound financial instrument is recognised as part of Contributed Capital.

2.6 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.

2.7 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.

2.8 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).

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever the employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal.

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.

2.16 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.

2.17 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.

2.18 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.

2.19 Other Income

Dividend Income

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

2.20 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.

2.21 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.

2.22 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.

2.23 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.

2.24 Investment in Subsidiaries and Associates

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

3 FINANCIAL RISK MANAGEMENT

Introduction and Overview

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

- Credit risks
- Liquidity risks
- Market risks

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

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

Risk Management Framework

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

Risk management is carried out and monitored by the senior management team under policies approved by the Board of Directors.

Management identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

Credit Risk

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

Management of Credit Risk

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

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

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

Exposure to Credit Risk

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

	<i>Group</i>		
	<i>December</i>	<i>June</i>	<i>December</i>
	2012	<i>2012</i>	<i>2011</i>
	\$'000	<i>\$'000</i>	<i>\$'000</i>
Cash and Cash Equivalents	656	339	317
Trade and Other Receivables	2,301	1,649	1,638
Loans and Receivables	200	200	200

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

	Loans and Advances			Trade and Other Receivables		
	December	June	December	December	June	December
	2012	2012	2011	2012	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount	200	200	200	2,431	1,748	1,638
Past Due but not Impaired	-	-	-	28	1	44
Neither Past Due nor Impaired	200	200	200	2,403	1,747	1,594
Total Carrying Amount	200	200	200	2,431	1,748	1,638

- Trade and other receivables totalling \$27,675 (30 June 2012: \$1,136; 31 December 2011: \$43,928) are greater than 90 days overdue but are considered collectable and are not impaired.

Concentrations of Credit Risk

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

The Group manages concentration of credit risk by placing restrictions on the maximum amounts which may be deposited with a Registered Bank.

Liquidity Risk

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

Management of Liquidity Risk

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

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

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

Exposure to Liquidity Risk

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

31 December 2012	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Assets</i>								
Cash and Cash Equivalents	656	656	656	-	-	-	-	-
Loans and Advances	200	211	-	5	206	-	-	-
Trade and Other Receivables	1,858	1,858	-	1,285	-	-	-	573
Total	2,714	2,725	656	1,290	206	-	-	573
<i>Non-Derivative Liabilities</i>								
Trade and Other Payables	2,966	2,966	-	2,966	-	-	-	-
Borrowings	4,298	4,681	-	98	98	3,802	683	-
Total	7,264	7,647	-	3,064	98	3,802	683	-

30 June 2012	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Assets</i>								
Cash and Cash Equivalents	339	339	339	-	-	-	-	-
Loans and Advances	200	221	-	5	5	211	-	-
Trade and Other Receivables	1,748	1,748	-	1,205	-	-	-	543
Total	2,287	2,308	339	1,210	5	211	-	543

30 June 2012	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Liabilities</i>								
Trade and Other Payables	1,814	1,814	-	1,814	-	-	-	-
Borrowings	4,086	4,593	-	94	94	188	4,217	-
Total	5,900	6,407	-	1,908	94	188	4,217	-

31 December 2011	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Assets</i>								
Cash and Cash Equivalents	317	317	317	-	-	-	-	-
Loans and Advances	200	232	-	5	5	11	211	-
Trade and Other Receivables	1,638	1,638	-	1,638	-	-	-	-
Total	2,155	2,187	317	1,643	5	11	211	-

31 December 2011	Carrying Amount	Gross Nominal Cash Flow	On Demand	Less than 3 Months	3-6 Months	6-12 Months	1-2 Years	2-5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Non-Derivative Liabilities</i>								
Trade and Other Payables	1,870	1,870	-	1,870	-	-	-	-
Borrowings	4,639	5,470	-	106	106	213	4,523	522
Total	6,509	7,340	-	1,976	106	213	4,523	522

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

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

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

Market Risk

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

Management of Market Risk

The Group undertakes minimal transactions denominated in foreign currencies. At 31 December 2012, 30 June 2012 and 31 December 2011 the Group had no foreign currency exposures.

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

Exposure to Interest Rate Risk

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

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

31 December 2012	Carrying	Non-	Less than	3-6	6-12	1-2 Years	2-5 Years
	Amount	Interest	3 Months	Months	Months	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	656	453	203	-	-	-	-
Loans and receivables	200	-	-	200	-	-	-
	856	453	203	200	-	-	-
Borrowings	4,298	-	-	-	3,643	655	-
	4,298	-	-	-	3,643	655	-
	(3,442)	453	203	200	(3,643)	(655)	-

The Directors intend to renegotiate funding lines when the above liabilities arise in 2013.

30 June 2012	Carrying	Non-	Less than	3-6	6-12	1-2 Years	2-5 Years
	Amount	Interest	3 Months	Months	Months	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	339	234	105	-	-	-	-
Loans and Receivables	200	-	-	-	200	-	-
	539	234	105	-	200	-	-
Borrowings	4,086	-	-	1,190	-	2,896	-
	4,086	-	-	1,190	-	2,896	-
	(3,547)	234	105	(1,190)	200	(2,896)	-

The Directors intend to renegotiate funding lines when the above liabilities arise in 2013.

31 December 2011	Carrying	Non-	Less than	3-6	6-12	1-2 Years	2-5 Years
	Amount	Interest	3 Months	Months	Months	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	317	239	78	-	-	-	-
Loans and receivables	200	-	-	-	-	200	-
	517	239	78	-	-	200	-
Borrowings	4,639	-	-	-	1,190	2,949	500
	4,639	-	-	-	1,190	2,949	500
	(4,122)	239	78	-	(1,190)	(2,749)	(500)

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

Capital Management

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

The Group's equity at the reporting dates comprises:

	31 December	30 June	31 December
	2012	2012	2011
	\$'000	\$'000	\$'000
Contributed Equity	13,391	13,391	12,807
Accumulated Deficits	(12,872)	(12,509)	(12,040)
Total Equity Balance at Period End	519	882	767

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

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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. The accounting estimates and assumptions deemed critical to the Group's results and financial position, based upon materiality and significant judgements and estimates, are discussed below:

Valuation Assumptions of Investment in Rosa Foods Limited

The Group has conducted impairment tests over this cash generating unit using cash flow projections based on financial forecasts approved by senior management covering a five year period and an assumed terminal real growth rate of 2% (2012: 2%). The Group has applied a discount rate of 18.80% (2012: 18.80%) to pre tax cash flows.

Recoverability of NFA Limited (In Liquidation) Perpetual Bonds

The recoverability of the Bonds is subject to any proceeds received from the Liquidator of NFA Limited. As there is little prospect of any future recoveries the directors have deemed it appropriate that a full provision remains in place against the Bonds.

Speirs Nutritionals Partners LP

Speirs Group Limited's carrying value of its investment in Speirs Nutritionals Partners LP is based upon the underlying value of the Limited partnership's net assets. The Limited Partnership is currently in the process of disposing of some items of plant and equipment. At 31 December 2012 best estimates of the estimated selling value of certain items of plant and equipment have been made and appropriate impairment provisions made. Should the actual sales value be less than the estimated realisable value additional losses will be incurred.

Valuation of Subordinated Debt in Speirs Securities Limited

Speirs Securitisation LP's carrying value in relation to its share of the subordinated debt in Speirs Securities Limited is dependent upon the recovery of loans made to Speirs Securities Limited borrowers, which are predominantly secured over commercial motor vehicles. In arriving at the carrying value of Speirs Securitisation LP's share of the subordinated debt in Speirs Securities Limited provision has been made for non performance by some borrowers.

5 SEGMENT REPORTING

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

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

A summarised description of each business unit is shown below:

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

The Group operates predominantly within New Zealand.

Group 6 months 31 December 2012	Speirs Foods	Corporate	Reconciliation	Consolidated
	\$'000	\$'000	\$'000	\$'000
External Revenue				
Interest Income	2	11	-	13
Revenue	7,476	-	-	7,476
Other Income	92	277	-	369
Intersegment Revenue/(Eliminations)	-	433	(433)	-
Total Segment Revenue/(Eliminations)	7,570	721	(433)	7,858
Interest Expense	(30)	(237)	-	(267)
Overall Segment Result	77	(9)	(400)	(332)
Income Tax Expense				-
Profit/(Loss) for the 6 Month Period				(332)
Segment Assets	6,581	5,202	(4,000)	7,783
Segment Liabilities	3,670	3,594	-	7,264
Depreciation, Impairment and Amortisation	195	-	-	195
Capital Expenditure	71	-	-	71

The Group receives Trading Income from two customers who account for 74% of total Trading Income

Group 12 months June 2012	Speirs Foods \$'000	Corporate \$'000	Reconciliation \$'000	Consolidated \$'000
External Revenue				
Interest Income	8	21	-	29
Revenue	13,393	-	-	13,393
Other Income	147	599	-	746
Intersegment Revenue / (Eliminations)	-	866	(866)	-
Total Segment Revenue	13,548	1,486	(866)	14,168
Interest Expense	(44)	(572)	-	(616)
Overall Segment Result	136	53	(940)	(751)
Income Tax Expense				-
Profit/(Loss) for the Year				(751)
Segment Assets	5,252	5,530	(4,000)	6,782
Segment Liabilities	2,017	3,883	-	5,900
Depreciation and Amortisation	504	-	-	504
Capital Expenditure	105	-	-	105

The Group receives Trading Income from two customers who account for 76% of total Trading Income

Group 6 months 31 December 2011	Speirs Foods \$'000	Corporate \$'000	Reconciliation \$'000	Consolidated \$'000
External Revenue				
Interest Income	3	11	-	14
Trading Income	7,108	-	-	7,108
Other Income	62	6	-	68
Intersegment Revenue/(Eliminations)	-	433	(433)	-
Total Segment Revenue/(Eliminations)	7,173	450	(433)	7,190
Interest Expense	(23)	(290)	-	(313)
Share of Loss of Associates	-	(131)	-	(131)
Overall Segment Result	293	(142)	(433)	(282)
Income Tax Expense				-
Profit/(Loss) for the 6 Month Period				(282)
Segment Assets	6,285	4,996	(4,000)	7,281
Segment Liabilities	2,492	4,022	-	6,514
Depreciation and Amortisation	237	-	-	237
Capital Expenditure	45	-	-	45

The Group receives Trading Income from two customers who account for 77% of total Trading Income

6 FINANCIAL ASSETS AND LIABILITIES

Accounting Classifications and Fair Values

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

31 December 2012

	Available for Sale \$'000	Loans and Receivables \$'000	Other Amortised Cost \$'000	Total Carrying Value \$'000	Fair Value \$'000
Cash and Cash Equivalents	-	656	-	656	656
Loans and Advances	-	200	-	200	200
Trade and Other Receivables	573	1,858	-	2,431	2,431
	573	2,714	-	3,287	3,287
Trade and Other Payables	-	-	2,966	2,966	2,966
Borrowings	-	-	4,298	4,298	4,298
	-	-	7,264	7,264	7,264

30 June 2012

	Available for Sale \$'000	Loans and Receivables \$'000	Other Amortised Cost \$'000	Total Carrying Value \$'000	Fair Value \$'000
Trade and Other Receivables	543	1,205	-	1,748	1,748
Loans and Advances	-	200	-	200	200
Cash and Cash Equivalents	-	339	-	339	339
	543	1,744	-	2,287	2,287
Trade and Other Payables	-	-	1,814	1,814	1,814
Borrowings	-	-	4,086	4,086	4,086
	-	-	5,900	5,900	5,900

31 December 2011

	Loans and Receivables \$'000	Other Amortised Cost \$'000	Total Carrying Value \$'000	Fair Value \$'000
Cash and Cash Equivalents	317	-	317	317
Loans and Advances	200	-	200	200
Trade and Other Receivables	1,638	-	1,638	1,638
	2,155	-	2,155	2,155
Trade and Other Payables	-	1,870	1,870	1,870
Borrowings	-	4,639	4,639	4,639
	-	6,509	6,509	6,509

Determination of Fair Values

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

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

Cash and Cash Equivalents – at face value, as this approximates fair value

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

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

Non-Derivative Financial Liabilities – at net present value.

7 EMPLOYEE BENEFITS EXPENSE

	<i>6 months</i> <i>31 December</i> <i>2012</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2012</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2011</i> <i>\$'000</i>
Wages and Salaries	2,053	3,343	1,700
Other Personnel Expenses	49	70	77
Total Personnel Expenses	2,102	3,413	1,777

8 OTHER INCOME

	<i>6 months</i> <i>31 December</i> <i>2012</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2012</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2011</i> <i>\$'000</i>
Rental Income	52	72	24
Gain on Sale of Property, Plant and Equipment	-	-	5
Gain on Acquisition of Speirs Securities Limited	50	555	-
Other Income	267	119	39
Total Other Income	369	746	68

9 OTHER EXPENSES

	<i>6 months</i> <i>31 December</i> <i>2012</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2012</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2011</i> <i>\$'000</i>
Fees Paid to Auditors			
Statutory Audit of Financial Statements - KPMG	19	36	17
Under accrual of 2012 Audit Fee - KPMG	6	-	-
Under accrual of 2011 Audit Fee - PwC	-	12	12
Other Assurance Services – KPMG*	-	-	-
Taxation Compliance Services - PwC	-	6	-
Directors Fees - Parent	49	130	70
Directors Fees - Subsidiaries	26	32	5
Insurance	137	248	110
Legal Fees – Speirs Securitisation LP Transaction	-	185	-
Legal Fees	30	28	5
Loss on Disposal of Sale of Property, Plant and Equipment	-	27	-
Rental Expenditure	23	7	1
Other Expenses	262	685	271
Total Other Expenses	552	1,396	491

* In the year ended 30 June 2012 KPMG was paid \$7,700 for advice provided in relation to the issue of the Perpetual Preference Shares. In accordance with IFRS this amount was deducted from the equity raised rather than appearing as an expense in the Statement of Comprehensive Income.

10 NET INTEREST EXPENSE

	<i>6 months</i> 31 December <i>2012</i> \$'000	<i>12 months</i> <i>30 June</i> <i>2012</i> \$'000	<i>6 months</i> <i>31 December</i> <i>2011</i> \$'000
Interest Income			
Cash and Cash Equivalents	2	8	3
Loans and Advances	11	21	11
Total Interest Income	13	29	14
Interest Expense			
Borrowings			
Convertible Redeemable Preference Shares	116	293	146
Unwind of Discount on Convertible Redeemable Preference Shares	62	147	74
Secured Stock	60	119	60
Mortgage	26	44	23
On all other borrowings	3	13	10
Total Interest Expense	267	616	313
Net Interest Expense	254	(587)	(299)

11 INCOME TAX EXPENSE

	<i>6 months</i> 31 December <i>2012</i> \$'000	<i>12 months</i> <i>30 June</i> <i>2012</i> \$'000	<i>6 months</i> <i>31 December</i> <i>2011</i> \$'000
Tax Expense			
Current Tax	-	-	-
Deferred Tax	-	-	-
Income Tax Expense	-	-	-

	<i>6 months</i> 31 December 2012 \$'000	<i>12 months</i> <i>30 June 2012</i> \$'000	<i>6 months</i> <i>31 December 2011</i> \$'000
Reconciliation of Effective Tax Rate			
Profit/(Loss) Before Income Tax	(332)	(751)	(282)
Income Tax at 28 %	(93)	(210)	(79)
Loss on Associates	19	44	30
Non-deductible Expenses	51	133	63
Unrecognised Future Income Tax Benefit	23	33	(14)
	-	-	-

	<i>6 months</i> 31 December <i>2012</i> \$'000	<i>12 months</i> <i>30 June</i> <i>2012</i> \$'000	<i>6 months</i> <i>31 December</i> <i>2011</i> \$'000
Imputation Credits			
Imputation Credits at Start of Period	3,820	3,945	3,945
Income Tax Paid/(Refunds Received)	-	-	-
Imputation Credits Attached to Dividends Received	-	-	-
Imputation Credits Attached to Convertible Redeemable Preference Share Dividends Paid	(63)	(125)	(63)
Imputation Credits at Period End	3,757	3,820	3,882

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

12 EARNINGS PER SHARE

Basic and Diluted Loss per Share

	6 months 31 December 2012 \$'000	12 months 30 June 2012 \$'000	6 months 31 December 2011 \$'000
Loss Attributable to Ordinary Shareholders			
Loss for the Period	(332)	(751)	(282)
Loss for the Period Attributable to Ordinary Shareholders	(332)	(751)	(282)

	6 months 31 December 2012 '000	12 months 30 June 2012 '000	6 months 31 December 2011 '000
Weighted Average Number of Ordinary Shares			
Issued Ordinary Shares at beginning of period	11,335	10,835	10,835
Issued Ordinary Shares at end of period	11,335	11,335	11,335
Weighted Average Number of Ordinary Shares at Period End	11,335	10,085	11,085

13 CASH AND CASH EQUIVALENTS

	31 December 2012 \$'000	30 June 2012 \$'000	31 December 2011 \$'000
Cash at Bank	453	234	239
Short Term Deposits – Call	203	105	78
Total Cash & Cash Equivalents	656	339	317

All cash and cash equivalents are held in registered banks.

The Company has no overdraft facility.

14 TRADE AND OTHER RECEIVABLES

31 December 2012

	<i>Gross Amount</i> \$'000	<i>Impairment Allowance</i> \$'000	<i>Carrying Amount</i> \$'000
Trade and Other Receivables			
Trade Receivables	1,728	-	1,728
Subordinated Debt in Speirs Securities Limited	573	-	573
Prepayments	130	-	130
Total Trade and Other Receivables	2,431	-	2,431
Current	1,858	-	1,858
Non Current	573	-	573
Total	2,431	-	2,431

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

30 June 2012

	<i>Gross Amount</i>	<i>Impairment Allowance</i>	<i>Carrying Amount</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trade and Other Receivables			
Trade Receivables	1,086	-	1,086
Subordinated Debt in Speirs Securities Limited	543	-	543
GST Refund	20	-	20
Prepayments	99	-	99
Total Trade and Other Receivables	1,748	-	1,748
Current	1,205	-	1,205
Non Current	543	-	543
Total	1,748	-	1,748

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

31 December 2011

	<i>Gross Amount</i>	<i>Impairment Allowance</i>	<i>Carrying Amount</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trade and Other Receivables			
Trade Receivables	1,638	-	1,638
Prepayments	158	-	158
Total Trade and Other Receivables	1,796	-	1,796
Current	1,796	-	1,796
Non Current	-	-	-
Total	1,796	-	1,796

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

15 INVENTORIES

	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2012</i>	<i>2012</i>	<i>2011</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Inventories			
Raw Materials and Consumables	429	312	366
Finished Goods	127	64	60
Total	556	376	426

No inventory is subject to retention of title clauses.

16 ASSOCIATE ENTITIES

Overall Summary

Investments Equity Accounted

	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2012</i>	<i>2011</i>	<i>2011</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Share of Rosa Foods Limited	424	417	412
Share of Speirs Nutritionals Partners LP	222	284	434
Total	646	701	846

Share of Profit/(Loss) of Associates	6 months	12 months	6 months
	31 December	30 June	31 December
	2012	2011	2011
	\$'000	\$'000	\$'000
Share of Profit/(Loss) of Rosa Foods Limited	7	(10)	(15)
Share of Profit/(Loss) of Speirs Nutritionals Partners LP	(62)	(266)	(116)
	(55)	(276)	(131)

(a) Rosa Foods Limited

On 1 April 2008 Speirs Group Limited purchased 40% of the ordinary shares of Rosa Foods Limited ("Rosa"). Rosa is a Wellington based food manufacturer providing prepared meal products to the supermarket chains. Rosa has a reporting date of 31 March. Financial information for Rosa has been extracted from management accounts for the period ended 31 December 2012. The Company did not receive a dividend from Rosa during the period ended 31 December 2012.

	6 months	12 months	6 months
	31 December	30 June	31 December
	2012	2012	2011
	\$'000	\$'000	\$'000
Opening Balance	417	427	427
Share of profit/(loss) after tax of associate	7	(10)	(15)
Closing Balance	424	417	412

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

	31 December	30 June	31 December
	2012	2012	2011
	\$'000	\$'000	\$'000
Current Assets	472	355	358
Goodwill	550	550	550
Property Plant and Equipment	555	591	627
Total Assets	1,577	1,496	1,535
Current Liabilities	542	440	454
Non Current Liabilities	85	124	161
Total Liabilities	627	564	615
Net Assets	950	932	920

(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 the Company's shares in Speirs Nutritionals Limited following a restructuring of the entities within the Group. Subsequently Speirs Group Limited increased its interest to 60.657%. SNPLP is a Limited Partnership which was formed when Speirs Nutritionals trading entity was changed from that of a company to that of a Limited Partnership. Financial information for SNPLP has been extracted from management accounts. Speirs Nutritionals is not accounted for as a subsidiary as Speirs Group (under the terms of the underlying Partnership Agreement) does not have control of Speirs Nutritionals. It does, however, have significant influence.

	31 December	30 June	31 December
	2012	2012	2011
	\$'000	\$'000	\$'000
Share of surplus/(deficit) of associate	(62)	(266)	(116)
Less share of dividends received	-	-	-
Net addition/(deletion) to the investment carrying value	(62)	(266)	(116)
Share of associate's equity at the beginning of the period	284	550	550
Closing Balance	222	284	434

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

	31 December	30 June	31 December
	2012	2012	2011
	\$'000	\$'000	\$'000
Current Assets	113	105	59
Property Plant and Equipment	502	568	913
Total Assets	615	673	972
Current Liabilities	248	4	57
Non Current Liabilities	-	200	200
Total Liabilities	248	204	257
Net Assets	367	469	715
Speirs Group Share (60.657%)	222	284	434

17 LOANS AND ADVANCES

	31 December	30 June	31 December
	2012	2012	2011
	\$'000	\$'000	\$'000
Allied Capital - Convertible Redeemable Preference Shares	-	-	500
Allied Capital - Debt Owning	-	500	-
Loan to Speirs Nutritionals LP	200	200	200
NFA Limited (In Liquidation) (previously Allied Nationwide Finance Limited)	2,000	2,000	2,000
Perpetual Bonds	2,200	2,700	2,700
Total	(2,000)	(2,500)	(2,500)
Provision for Impairment	200	200	200
Carrying Value	200	200	200
Current	200	200	-
Non Current	-	-	200
Total	200	200	200

Allied Capital Convertible Redeemable Preference Shares/Debt Owning

As part of the sale of the Group's shareholding in Allied Farmers Limited to Allied Capital Limited on 22 May 2009 the Group received 500,000 \$1 Convertible Redeemable Preference Shares in Allied Capital Limited. The main terms of issue are that the Convertible Redeemable Preference shares have a coupon rate of 10% per annum. The Convertible Redeemable Preference shares could be converted (at Speirs' option) to either cash or ordinary shares in Allied Capital Limited in the period from 30 May 2011 to 30 May 2012.

On 29 February 2012 Speirs Group Limited converted its Allied Capital Convertible Redeemable Preference Shares into an unsecured debt owing from Allied Capital Limited. The unsecured debt ranks ahead of Allied Capital Limited's shareholders funds.

On 6 June 2012 Speirs Group Limited applied to the High Court to have a liquidator appointed to liquidate Allied Capital Limited. On 18 July 2012 the High Court appointed the Official Assignee as Allied Capital Limited's liquidator.

On 24 August 2012 the first liquidator's report noted that "from present information based on investigations conducted by the liquidator, the company has no assets of any value to the unsecured creditors". For this reason the directors wrote off this fully provided receivable in the period ending 31 December 2012. A full provision for impairment for this asset had previously been made, therefore no additional loss was incurred. On 24 January 2013 the Liquidator issued their final report which advised that "No funds were received for the benefit of creditors" and that Allied Capital Limited would shortly be struck off the Register of Companies.

NFA Limited (In Liquidation) (Previously Allied Nationwide Finance Limited) Perpetual Bonds

As part of the sale of the finance division of Speirs Group Limited on 30 September 2008, the Group received, as part of the consideration 2,000,000 \$1 Subordinated Perpetual Bonds in Allied Nationwide Finance Limited. The Allied Nationwide Finance Limited Perpetual Bonds ("The Bonds") have a par value of \$1.00 per bond.

The interest rate on the Bonds is reset annually on the 30th of September at the greater of 10.00% or the one year swap rate plus 4.50%. For the period ended 31 December 2012 the interest rate applicable to The Bonds was 10.00%.

The Bonds are a component of Subordinated Debt of Allied Nationwide Finance Limited.

During the year ended 30 June 2010 the Bonds were transferred to a wholly owned subsidiary of Speirs Group Limited, Speirs Investments Limited. On 20 August 2010 Allied Nationwide Finance Limited went into receivership. On 2 August 2012 Allied Nationwide Finance Limited (In Receivership) changed its name to NFA Limited. On 31 October 2012 NFA Limited was placed into liquidation. At 31 December 2012 NFA Limited (In Receivership and Liquidation) remains in receivership and liquidation. For this reason the directors have decided to continue to fully impair this receivable.

Loan to Speirs Nutritionals Partners LP

The Group has a loan facility to Speirs Nutritionals Partners LP. The facility is supported by a first charge over the assets of Speirs Nutritionals Partners LP. The interest rate on the loan is 10.50%. The loan matures on 30 June 2013. Note 16 discloses the assets and liabilities of Speirs Nutritionals Partners LP at 31 December 2012 and 2011 and 30 June 2012.

18 DEFERRED INCOME TAX ASSET

Unrecognised Deferred Tax Assets

The Group has a deferred tax asset of \$7,908,490 (30 June 2012: \$7,885,939; 31 December 2011: \$7,838,934) which has not been recognised. The asset not recognised is principally composed of tax losses which would require taxable profit to realise them in excess of that which can be reliably estimated in the medium term.

19 PROPERTY, PLANT AND EQUIPMENT

31 December 2012

	Land \$'000	Buildings \$'000	Computer Equipment \$'000	Vehicles \$'000	Other Plant & Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
Cost or Valuation							
Balance at Start of Period	80	2,806	912	385	4,235	12	8,430
Additions	-	26	4	17	13	11	71
Disposals	-	-	-	-	-	-	-
Balance at Period End	80	2,832	916	402	4,248	23	8,501
Depreciation and Impairment Losses							
Balance at Start of Period	-	602	736	310	3,381	-	5,029
Depreciation for the Period	-	60	26	12	96	-	194
Impairment	-	-	-	-	(5)	-	(5)
Disposals	-	-	-	-	-	-	-
Balance at Period End	-	662	762	322	3,472	-	5,218
Carrying Amounts							
At Start of Period	80	2,204	176	75	854	12	3,401
At Period End	80	2,170	154	80	776	23	3,283

30 June 2012

	Land \$'000	Buildings \$'000	Computer Equipment \$'000	Vehicles \$'000	Other Plant & Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
Cost or Valuation							
Balance at Start of Period	80	2,794	910	386	4,279	6	8,455
Additions	-	12	2	15	70	6	105
Disposals / Transfers	-	-	-	(16)	(114)	-	(130)
Balance at Period End	80	2,806	912	385	4,235	12	8,430
Depreciation and Impairment Losses							
Balance at Start of Period	-	484	681	303	3,129	-	4,597
Depreciation for the Year	-	118	55	23	242	-	438
Impairment	-	-	-	-	54	-	54
Disposals	-	-	-	(16)	(44)	-	(60)
Balance at Period End	-	602	736	310	3,381	-	5,029
Carrying Amounts							
At Start of Period	80	2,310	229	83	1,150	6	3,858
At Period End	80	2,204	176	75	854	12	3,401

31 December 2011

	Land \$'000	Buildings \$'000	Computer Equipment \$'000	Vehicles \$'000	Other Plant & Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
Cost or Valuation							
Balance at Start of Period	80	2,794	910	386	4,279	6	8,455
Additions	-	13	2	15	11	4	45
Disposals	-	-	-	(16)	-	-	(16)
Balance at Period End	80	2,807	912	385	4,290	10	8,484
Depreciation and Impairment Losses							
Balance at Start of Period	-	484	681	303	3,129	-	4,597
Depreciation for the Period	-	59	29	12	130	-	230
Disposals	-	-	-	(16)	-	-	(16)
Balance at Period End	-	543	710	299	3,259	-	4,811
Carrying Amounts							
At Start of Period	80	2,310	229	83	1,150	6	3,858
At Period End	80	2,264	202	86	1,031	10	3,673

20 INTANGIBLES

	31 December 2012 Purchased Software \$'000	30 June 2012 Purchased Software \$'000	31 December 2011 Purchased Software \$'000
Cost			
Balance at Start of Period	165	164	164
Additions	-	1	1
Disposals	-	-	-
Balance at Period End	165	165	165
Amortisation and Impairment Losses			
Balance at Start of Period	148	135	135
Amortisation for the Period	6	13	7
Impairment Loss	-	-	-
Balance at Period End	154	148	142
Carrying Amounts			
At Start of Period	17	29	29
At Period End	11	17	23

21 TRADE AND OTHER PAYABLES

	31 December 2012 \$'000	30 June 2012 \$'000	31 December 2011 \$'000
Trade and Other Payables			
Other Trade Payables	2,199	1,397	1,263
Provisions	5	5	5
Non-Trade Payables and Accrued Expenses	762	412	607
	2,966	1,814	1,875

22 BORROWINGS

	31 December	30 June	31 December
	2012	2012	2011
	\$'000	\$'000	\$'000
Borrowings			
Secured Stock – Speirs Investments	1,190	1,190	1,190
Convertible Redeemable Preference Shares	2,453	2,391	2,949
Mortgage Facility	655	505	500
	4,298	4,086	4,639
Current	3,643	-	-
Non-Current	655	4,086	4,639
	4,298	4,086	4,639

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

	31 December	30 June	31 December
	2012	2012	2011
	%	%	%
Borrowings			
Secured Stock – Speirs Investments Limited	10.00%	10.00%	10.00%
Convertible Redeemable Preference Shares	9.00%	9.00%	9.00%
Mortgage	8.25%	8.25%	8.25%

Secured Stock – Speirs Investments Limited

The secured stock is secured under the Terms of the Trust Deed dated 20 July 2009 between Speirs Investments Limited and Perpetual Trust Limited. The secured stock matures on 2 October 2013. The interest rate on the secured stock is reset annually on the 30th of September at the greater of 10.00% or the one year swap rate plus 4.50%.

Mortgage Facility

Speirs Foods Limited has a mortgage funding facility for up to \$985,000. The facility has a maturity date of 10 July 2014. The facility is secured by a mortgage over the properties owned by Speirs Foods Limited, along with a charge over the assets and undertakings of Speirs Foods Limited and an unsecured guarantee from Speirs Group Limited.

Convertible Redeemable Preference Shares

During the year ended 30 June 2010 3,250,000 convertible redeemable preference shares were issued at \$1 each. The convertible redeemable preference shares have a redemption date of 14 December 2013. At the redemption date the holders of the convertible redeemable preference shares have the option in redeeming their shares in cash (on a \$ for \$ basis) or converting the convertible redeemable preference shares to ordinary shares in the company at a ratio of 3 ordinary shares for every 2 convertible redeemable preference shares held. The convertible redeemable preference shares rank behind all other liabilities of the company but ahead of ordinary shareholders. During the year ended 30 June 2012, in accordance with shareholder resolutions passed at a special shareholder meeting, 679,000 convertible redeemable preference shares were repurchased and cancelled by the company.

23 CONTRIBUTED CAPITAL

	31 December	30 June	31 December
	2012	2012	2011
	\$'000	\$'000	\$'000
Balance at Beginning of Period	13,391	12,757	12,757
Issue of Perpetual Preference Shares (net of issue costs)	-	584	-
Issue of 500,000 Ordinary Shares at 10c per share	-	50	50
Balance at Period End	13,391	13,391	12,807

The Company has issued Convertible Redeemable Preference Shares (see Note 22). 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.

Ordinary Shares

	Ordinary Shares		
	31 December	30 June	31 December
	2012	2012	2011
	'000	'000	'000
Number of Shares on issue at Start of Period	11,335	10,835	10,835
Issue of Fully Paid Ordinary Shares	-	500	500
Number of Shares on issue at Period End	11,335	11,335	11,335

The total authorised number of ordinary shares is 11,334,576 (30 June 2012: 11,334,576; 31 December 2011 11,334,576). All issued shares were fully paid. There are no preferences or restrictions attached to this class of share.

Perpetual Preference Shares

	Perpetual Preference Shares		
	31 December	30 June	31 December
	2012	2012	2011
	'000	'000	'000
Number of Shares on issue at Start of Period	679	-	-
Issue of Fully Paid Perpetual Preference Shares	-	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 the Company	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 the Company unless dividends are authorised in respect of the PPS and all dividends on the PPS, including authorised but unpaid dividends, have been paid.
Ranking in respect of dividends	Behind the dividends payable on the CRPS, equally with all other dividends payable on the PPS, and ahead of dividends payable on ordinary shares in the Company and any other shares in the Company that are expressed to rank behind the PPS.
When redeemable	May, at the sole option of the Company, be redeemed by the Company at any time after 10 years from the issue date (i.e. from 2022).
Redemption amount payable by the Company	\$1.00 plus any authorised but unpaid dividends.
When convertible	Convertible at the election of the holder between 5 and 10 years from the date of issue (i.e. between 2017 and 2022).
Rate of conversion	1 PPS converts into 8 ordinary shares in the Company.
Ranking in liquidation	Behind the creditors of the Company, behind the CRPS holders, but ahead of ordinary shareholders and any other holders of shares that are expressed to rank behind the CRPS.

Dividends

The following dividends were declared and paid by the Company:

	31 December	30 June	31 December
	2012	2012	2011
	'000	'000	'000
\$0.00 per Qualifying Ordinary Share (30 June 2012: \$0.00; 31 December 2011: \$0.00)	-	-	-
4.5c per Qualifying Perpetual Preference Share (30 June 2012: \$0.00; 31 December 2011: \$0.00)	31	-	-

The Directors have not proposed the payment of any ordinary dividends at 31 December 2012.

24 RECONILIATION OF PROFIT/ (LOSS) FOR THE PERIOD TO NET CASH FROM OPERATING ACTIVITIES

	<i>6 months</i> 31 December 2012 \$'000	<i>12 months</i> 30 June 2012 \$'000	<i>6 months</i> 31 December 2011 \$'000
Reconciliation of Profit/(Loss) for the Period to Net Cash from Operating Activities			
Profit/(Loss) for the Period	(332)	(751)	(282)
Adjustments for Non-Cash Items:			
Depreciation and Impairment on Property, Plant and Equipment	189	492	230
Amortisation of Intangible Assets	6	12	7
Non Cash Gain on Acquisition of Speirs Securities Limited	(30)	(543)	-
Loss/(Gain) on Disposal of Property, Plant and Equipment	-	27	(5)
Unwind of Discount on Convertible Redeemable Preference Shares	62	147	74
Share of Associates (Gains)/ Losses	55	276	131
	(50)	(340)	155
Movement in Other Working Capital Items:			
Change in Inventories	(180)	-	(50)
Change in Trade and Other Receivables and Other Assets	(653)	(98)	(689)
Change in Trade and Other Payables	1,152	386	447
Net Cash From Operating Activities	269	(52)	(137)

25 RELATED PARTIES

Transactions with Key Management Personnel

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

Key Management Personnel Compensation

	<i>6 Months</i> 31 December 2012 \$'000	<i>12 Months</i> 30 June 2011 \$'000	<i>6 Months</i> 31 December 2011 \$'000
Short-Term Employee Benefits	204	403	204
Termination Benefits	-	-	-
	204	403	204

Other Transactions with Key Management Personnel

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

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

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

Transactions with related parties are summarised below:

- Speirs Group Limited provided funding to Speirs Nutritionals by way of a term loan facility. The interest charge on the credit facility for the period was \$10,500 (30 June 2012: \$21,000; 31 December 2011: \$10,500). At 31 December 2011 and 2012 and 30 June 2012 the outstanding balance of the credit facility was \$200,000.
- Speirs Group Limited received a dividend of \$400,000 from Speirs Foods Limited (30 June 2012: \$800,000; 31 December 2011: \$400,000)
- Speirs Group Limited charged Speirs Foods Limited \$33,000 (30 June 2012: \$66,000; 31 December 2011: \$33,000) in respect of corporate services provided by Speirs Group Limited.
- Speirs Group Limited paid Speirs Investments Limited \$100,000 (30 June 2012: \$200,000; 31 December 2011: \$100,000) in relation to an interest guarantee on secured and unsecured stock issued by Speirs Investments Limited. At 31 December 2012 and 2011 and 30 June 2012 and 2011 the amount of the guarantee was \$2,000,000.
- Speirs Group Limited received \$40,500 (30 June 2012: \$81,000; 31 December 2011: \$40,500) from Speirs Investments Limited in relation to interest on unsecured stock held by Speirs Group and issued by Speirs Investments Limited. At 31 December 2012 and 2011 and 30 June 2012 the balance of the unsecured stock was \$810,000.

- Speirs Group Limited received a dividend on preference shares for \$5,000 (30 June 2012: \$10,000; 31 December 2011; \$10,000) from Rosa Foods Limited. At 31 December 2012 and 2011 and 30 June 2012 the balance of the preference shares was \$100,000.
- Speirs Foods charged Rosa Foods Limited \$144,128 (30 June 2012: \$266,426; 31 December 2011: \$157,958) for freight and marketing services provided. At 31 December 2012 Rosa Foods Limited owed Speirs Foods Limited \$58,591 (30 June 2012: \$75,334; 31 December 2011: \$51,791).
- Speirs Group Limited provided a credit facility of \$191,000 to Speirs Securitisation LP (30 June 2012; \$150,000; 31 December 2011: \$Nil).

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

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

26 CAPITAL COMMITMENTS AND CONTINGENCIES

Commitments

The Group was committed to the following at year end:

	Capital		
	Property Rentals	Expenditure	Total
	\$'000	\$'000	\$'000
31 December 2012			
Less than One Year	-	-	-
Between One and Five Years	-	-	-
More than Five Years	-	-	-
	-	-	-
30 June 2012			
Less than One Year	-	18	18
Between One and Five Years	-	-	-
More than Five Years	-	-	-
	-	18	18
31 December 2011			
Less than One Year	-	4	4
Between One and Five Years	-	-	-
More than Five Years	-	-	-
	-	4	4

Contingent Liabilities

The Company and Group have no contingent liabilities.

27 EVENTS AFTER THE REPORTING PERIOD

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

28 DIVIDEND OR DISTRIBUTION REINVESTMENT PLANS

The Group has no such plans in place.

29 NET TANGIBLE ASSETS PER SECURITY

	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	2012	2012	2011
	\$	\$	\$
Net Tangible Assets Per Security	0.04	0.08	0.07

30 ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

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

31 ASSOCIATES AND JOINT VENTURES

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