Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Continuing operations					
Operating revenue	4,5	1,131,847	1,336,813	583,062	763,990
Cost of sales		(845,875)	(1,038,146)	(437,440)	(611,423)
Gross profit		285,972	298,667	145,622	152,567
Other income	6	1,267	1,550	975	647
Employee benefits expense		(137,728)	(137,046)	(83,625)	(84,332)
Research and development		(4,355)	(5,786)	(7)	(2)
Other operating expenses	7	(99,359)	(102,224)	(53,928)	(53,628)
		(240,175)	(243,506)	(136,585)	(137,315)
Operating EBITDA		**45,797**	**55,161**	**9,037**	**15,252**
Equity accounted earnings of associates	8	1,483	101	-	-
Impairment losses on goodwill	9	(321,143)	-	(91,323)	-
Non operating items	9	(7,134)	(1,941)	(214,176)	16,593
Fair value adjustments	10	(5,151)	(2,560)	(1,931)	(1,782)
EBITDA		(286,148)	50,761	(298,393)	30,063
Depreciation and amortisation expense		(7,642)	(8,323)	(3,584)	(4,013)
Results from continuing operating activities		(293,790)	42,438	(301,977)	26,050
Net interest and finance costs	11	(6,102)	(13,835)	(7,813)	(12,933)
Profit/(loss) from continuing operations before income taxes		(299,892)	28,603	(309,790)	13,117
Income tax (expense)/income	12	(5,029)	(3,341)	3,960	386
Profit/(loss) from continuing operations		(304,921)	25,262	(305,830)	13,503
Discontinued operations					
Profit/(loss) from discontinued operations (net of income taxes)	13	(1,584)	(809)	-	-
Profit/(loss) for the year		**(306,505)**	**24,453**	**(305,830)**	**13,503**
Other comprehensive income/(loss)					
Foreign currency translation differences for foreign operations		(4,568)	160	-	-
Buy out of non-controlling interest		(2,060)	-	-	-
Effective portion of changes in fair value of cash flow hedges		(711)	(168)	-	-
Changes in fair value of equity instruments		5,120	(1,550)	4,000	(667)
Fixed asset revaluation on initial measurement		-	(4,738)	-	-
Defined benefit plan actuarial gains / (losses)		6,278	(10,730)	6,278	(10,730)
Deferred tax on movement of actuarial gains / (losses) on employee benefit plans		(1,758)	2,727	(1,758)	2,727
Other comprehensive income/(loss) for the period, net of income tax		2,301	(14,299)	8,520	(8,670)
Total comprehensive income/(loss) for the period		**(304,204)**	**10,154**	**(297,310)**	**4,833**
Profit/(loss) attributable to:					
Shareholders of the Company		(307,992)	23,486	(305,830)	13,503
Non-controlling interest		1,487	967	-	-
Profit/(loss) for the year		**(306,505)**	**24,453**	**(305,830)**	**13,503**
Total comprehensive income/(loss) attributable to:					
Shareholders of the Company		(305,681)	9,056	(297,310)	4,833
Non-controlling interest		1,477	1,098	-	-
Total comprehensive income/(loss) for the year		**(304,204)**	**10,154**	**(297,310)**	**4,833**
Earnings/(loss)per share					
Basic earnings per share (New Zealand Dollars)	14	(0.41)	0.03		
Continuing operations					
Basic earnings per share (New Zealand Dollars)	14	(0.40)	0.03		

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

PGG Wrightson Limited

Statement of Changes in Equity

For the year ended 30 June 2013

GROUP	Share capital	Foreign currency translation reserve	Realised capital and other reserves	Revaluation reserve	Hedging reserve	Defined benefit plan reserve	Fair value reserve	Retained earnings	Non-controlling interest	Total equity
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 1 July 2011	640,174	(2,809)	30,421	645	771	(12,210)	-	(55,030)	2,379	604,341
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	-	23,486	967	24,453
Other comprehensive income										
Foreign currency translation differences	-	654	(15)	36	-	-		(646)	131	160
Asset revaluation on initial measurement	-	-	(4,738)		-	-	-			(4,738)
Effective portion of changes in fair value of equity instruments	-	-	-	-	(168)	-	(1,550)	-	-	(1,718)
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	-	(8,003)	-	-	-	(8,003)
Total other comprehensive income	-	654	(4,753)	36	(168)	(8,003)	(1,550)	(646)	131	(14,299)
Total comprehensive income for the period	-	654	(4,753)	36	(168)	(8,003)	(1,550)	22,840	1,098	10,154
Transactions with shareholders, recorded directly in equity										
Interest on convertible redeemable notes	-	-	-	-	-	-	-	(2,150)	-	(2,150)
Repayment of convertible redeemable notes	(33,850)	-	-	-	-	-	-	-	-	(33,850)
Dividends to shareholders	-	-	-	-	-	-	-	-	(721)	(721)
Total contributions by and distributions to shareholders	(33,850)	-	-	-	-	-	-	(2,150)	(721)	(36,721)
Balance at 30 June 2012	**606,324**	**(2,155)**	**25,668**	**681**	**603**	**(20,213)**	**(1,550)**	**(34,340)**	**2,756**	**577,774**
Balance at 1 July 2012	606,324	(2,155)	25,668	681	603	(20,213)	(1,550)	(34,340)	2,756	577,774
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	-	(307,992)	1,487	(306,505)
Other comprehensive income										
Foreign currency translation differences	-	(4,510)	(82)	5	-	-	-	(74)	93	(4,568)
Buy out of non-controlling interest	-	-	(1,957)	-	-	-	-	-	(103)	(2,060)
Effective portion of changes in fair value of equity instruments	-	-	-	-	(711)	-	5,120	-	-	4,409
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	-	4,520	-	-	-	4,520
Total other comprehensive income	-	(4,510)	(2,039)	5	(711)	4,520	5,120	(74)	(10)	2,301
Total comprehensive income for the period	-	(4,510)	(2,039)	5	(711)	4,520	5,120	(308,066)	1,477	(304,204)
Transactions with shareholders, recorded directly in equity										
Contributions by and distributions to shareholders										
Dividends to shareholders	-	-	-	-	-	-	-	(16,869)	(595)	(17,464)
Total contributions by and distributions to shareholders	-	-	-	-	-	-	-	(16,869)	(595)	(17,464)
Balance at 30 June 2013	**606,324**	**(6,665)**	**23,629**	**686**	**(108)**	**(15,693)**	**3,570**	**(359,275)**	**3,638**	**256,106**

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

PGG Wrightson Limited

Statement of Changes in Equity continued

For the year ended 30 June 2013

COMPANY	Share capital	Realised capital and other reserves	Defined benefit plan reserve	Fair value reserve	Retained earnings	Total equity
	$000	$000	$000	$000	$000	$000
Balance at 1 July 2011	640,174	24,542	(12,210)	-	(51,787)	600,719
Total comprehensive income for the period						
Profit or loss	-	-	-	-	13,503	13,503
Other comprehensive income						
Effective portion of change in fair value of financial instruments, net of tax	-	-	-	(667)	-	(667)
Defined benefit plan actuarial gains and losses, net of tax	-	-	(8,003)	-	-	(8,003)
Total other comprehensive income	-	-	(8,003)	(667)	-	(8,670)
Total comprehensive income for the period	-	-	(8,003)	(667)	13,503	4,833
Transactions with shareholders, recorded directly in equity						
Contributions by and distributions to shareholders						
Repayment of convertible redeemable notes	(33,850)	-	-	-	-	(33,850)
Interest on convertible redeemable notes	-	-	-	-	(2,150)	(2,150)
Total contributions by and distributions to shareholders	(33,850)	-	-	-	(2,150)	(36,000)
Balance at 30 June 2012	**606,324**	**24,542**	**(20,213)**	**(667)**	**(40,434)**	**569,552**
Balance at 1 July 2012	606,324	24,542	(20,213)	(667)	(40,434)	569,552
Total comprehensive income for the period						
Profit or loss	-	-	-	-	(305,830)	(305,830)
Other comprehensive income						
Effective portion of change in fair value of financial instruments, net of tax	-	-	-	4,000	-	4,000
Defined benefit plan actuarial gains and losses, net of tax	-	-	4,520	-	-	4,520
Total other comprehensive income	-	-	4,520	4,000	-	8,520
Total comprehensive income for the period	-	-	4,520	4,000	(305,830)	(297,310)
Transactions with shareholders, recorded directly in equity						
Contributions by and distributions to shareholders						
Dividends to shareholders	-	-	-	-	(16,869)	(16,869)
Total contributions by and distributions to shareholders	-	-	-	-	(16,869)	(16,869)
Balance at 30 June 2013	**606,324**	**24,542**	**(15,693)**	**3,333**	**(363,133)**	**255,371**

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

PGG Wrightson Limited

Statement of Financial Position

As at 30 June 2013

	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
ASSETS					
Current					
Cash and cash equivalents	15	5,845	15,911	326	6,319
Short-term derivative assets	16	662	2,951	279	972
Trade and other receivables	17	217,821	207,106	195,145	379,330
Finance receivables	18	11,477	29,248	-	-
Income tax receivable		4,092	4,148	5,747	4,838
Assets classified as held for sale	19	801	5,551	801	5,551
Biological assets	20	4,233	20,651	4,233	20,651
Inventories	21	243,650	239,402	49,662	50,539
Total current assets		488,581	524,968	256,193	468,200
Non-current					
Long-term derivative assets	16	3	499	-	-
Biological assets	20	147	207	147	207
Deferred tax asset	22	9,422	14,458	3,883	3,420
Investment in subsidiaries	23	-	-	225,282	225,257
Investments in equity accounted investees	24	4,210	269	-	30
Other investments	25	23,995	21,283	11,559	7,578
Intangible assets	26	6,715	332,925	5,688	97,463
Property, plant and equipment	27	86,435	85,863	36,481	36,499
Total non-current assets		130,927	455,504	283,040	370,454
Total assets		**619,508**	**980,472**	**539,233**	**838,654**
LIABILITIES					
Current					
Debt due within one year	15	47,702	29,709	9,514	-
Short-term derivative liabilities	16	2,451	1,460	429	960
Accounts payable and accruals	28	222,723	228,142	188,577	129,110
Total current liabilities		272,876	259,311	198,520	130,070
Non-current					
Long-term debt	15	62,000	111,500	62,000	111,500
Long-term derivative liabilities	16	623	294	-	109
Other long-term provisions	28	7,084	5,329	2,523	1,159
Defined benefit liability	29	20,819	26,264	20,819	26,264
Total non-current liabilities		90,526	143,387	85,342	139,032
Total liabilities		363,402	402,698	283,862	269,102
EQUITY					
Share capital	30	606,324	606,324	606,324	606,324
Reserves	30	5,419	3,033	12,182	3,663
Retained earnings	30	(359,275)	(34,340)	(363,135)	(40,435)
Total equity attributable to shareholders of the Company		252,468	575,017	255,371	569,552
Non-controlling interest		3,638	2,757	-	-
Total equity		256,106	577,774	255,371	569,552
Total liabilities and equity		**619,508**	**980,472**	**539,233**	**838,654**

These consolidated financial statements have been authorised for issue on 12 August 2013.

Sir John Anderson
Chairman

Bruce Irvine
Director

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

PGG Wrightson Limited

Statement of Cash Flows

For the year ended 30 June 2013

	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Cash flows from operating activities					
Cash was provided from:					
Receipts from customers		1,161,211	1,388,811	584,586	780,088
Dividends received		645	440	480	14
Interest received		6,667	21,230	2,174	4,624
		1,168,523	1,410,481	587,240	784,726
Cash was applied to:					
Payments to suppliers and employees		(1,123,433)	(1,320,321)	(576,221)	(754,287)
Interest paid		(5,830)	(25,996)	(4,703)	(10,035)
Income tax received / (paid)		12	(5,590)	829	(3,623)
		(1,129,251)	(1,351,907)	(580,095)	(767,945)
Net cash flow from operating activities	31	**39,272**	**58,574**	**7,145**	**16,781**
Cash flows from investing activities					
Cash was provided from:					
Proceeds from sale of property, plant and equipment		1,659	538	1,472	535
Net decrease in finance receivables		11,383	35,069	-	-
Proceeds from sale of investments		2,713	32,532	-	98,172
		15,755	68,139	1,472	98,707
Cash was applied to:					
Purchase of property, plant and equipment		(6,745)	(11,703)	(3,427)	(1,364)
Purchase of intangibles (software)		(938)	(1,065)	(792)	(539)
Cash paid/(acquired) on purchase of investments		(5,476)	(87,832)	-	(83,131)
		(13,159)	(100,600)	(4,219)	(85,034)
Net cash flow from investing activities		2,596	(32,461)	(2,747)	13,673
Cash flows from financing activities					
Cash was provided from:					
Increase in external borrowings and bank overdraft		17,994	11,500	9,514	11,500
Repayment of loans by related parties		310	-	161,987	39,729
		18,304	11,500	171,501	51,229
Cash was applied to:					
Dividends paid to shareholders		(16,869)	-	(16,869)	-
Dividends paid to minority interests		(595)	(721)	-	-
Interest paid on convertible redeemable notes		-	(2,150)	-	(2,150)
Repayment of convertible redeemable notes		-	(33,850)	-	(33,850)
Repayment of secured debentures		-	(5,124)	-	-
Net decrease in clients' deposit and current accounts		-	(3,600)	-	-
Finance facility fees		-	(1,499)	-	(1,300)
Repayment of loans to related parties		(3,274)	(93)	(115,523)	-
Repayment of external borrowings		(49,500)	(46,498)	(49,500)	(35,500)
		(70,238)	(93,535)	(181,892)	(72,800)
Net cash flow from financing activities		(51,934)	(82,035)	(10,391)	(21,571)
Net (decrease)/increase in cash held		(10,066)	(55,922)	(5,993)	8,883
Opening cash/(bank overdraft)		15,911	71,833	6,319	(2,564)
Cash and cash equivalents		5,845	15,911	326	6,319

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

1 Reporting Entity

PGG Wrightson Limited (the "Company") is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is an issuer in terms of the Financial Reporting Act 1993.

Financial statements for the Company (separate financial statements) and consolidated financial statements are presented. The consolidated financial statements of PGG Wrightson Limited as at and for the year ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The Company is primarily involved in the provision of rural services.

2 Basis of Preparation

Statement of Compliance
The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards as applicable for profit oriented entities. The financial statements comply with International Financial Reporting Standards as issued by the IASB, as applicable for profit oriented entities.

These statements were approved by the Board of Directors on 12 August 2013.

Basis of Measurement
The financial statements have been prepared on the historical cost basis except for the following:
- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- investments are measured at fair value
- biological assets are measured at fair value less point-of-sale costs
- assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Functional and Presentation Currency
These financial statements are presented in New Zealand dollars ($), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

Use of Estimates and Judgements
The preparation of the consolidated financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assumptions.

Estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note	Judgement
26	Goodwill impairment assessment and measurement of value in use and fair value less costs to sell
32	Classification and valuation of financial assets and instruments

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note	Assumption or estimation uncertainty
21	Valuation of seeds inventory
28	Provisions and contingencies
29	Measurement of defined benefit obligations

3 Significant Accounting Policies

Unless otherwise stated, the accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of Consolidation
Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates and Jointly Controlled Entities
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence starts. Where the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions Eliminated on Consolidation
Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign Currencies

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of the group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and the Foreign Currency Translation Reserve ("FCTR"). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

(c) Income Recognition

Recognition of Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sales Revenue

Sales revenue comprises the sale value of transactions where the Group acts as a principal and the commission for transactions where the Group acts as an agent.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Irrigation Contracts

The revenue on work-in-progress is recognised when it can be estimated reliably. The percentage of completion method is used to determine the appropriate amount to recognise in each year. The full amount of any anticipated loss, including that relating to work on the contract, is recognised as soon as it is foreseen.

Investment Income

Investment income is recognised when earned. Dividends are recognised when received, or accrued when declared and approved for distribution prior to balance date.

Interest and Similar Income and Expense

For all financial instruments measured at amortised cost, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.

The Group recognises interest revenue, management fees, and establishment fees on an accruals basis when the services are rendered using the effective interest rate method.

Fee and Commission Income

The Group earns fee and commission income from a diverse range of services it provides to customers. Fee income can be divided into the following two categories:

- Fee income earned from services that are provided over a certain period of time. Fees earned for the provision of services over a period of time are accrued over that period. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest rate on the loan.
- Discharge fees and deferred establishment fees are received by the Group upon early termination of mortgage loans. On a consolidated basis these are treated as a recoupment of the transaction costs spent by the Group in establishing the mortgage loans. These fees form part of the interest effective yield on the loans and are accrued and recognised in the statement of comprehensive income over the weighted average expected life of the mortgage loans using the effective interest method.

Fee Income from Providing Transaction Services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transactions. Fees or components of the fees that are linked to certain performance are recognised after fulfilling the corresponding criteria.

(d) Income Tax

Income tax expense comprises current and deferred taxation and is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised directly in other comprehensive income or equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable with respect to previous periods.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- the initial recognition of goodwill
- differences relating to subsidiaries, associates and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be recognised.

(e) Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

(f) Earnings per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the number of shares outstanding to include the effects of all potential dilutive shares.

(g) Financial Instruments

(i) Non-derivative Financial Assets

Non-derivative financial assets comprise investments in equity and debt securities, finance receivables, trade and other receivables, cash and cash equivalents and intercompany advances. The Group adopted NZ IFRS 9 (2009) *Financial Instruments* from 1 January 2012. NZ IFRS 9 (2009) requires that an entity classifies its financial assets at either amortised cost of fair value depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group initially recognises financial assets on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit and loss, the initial investment includes transaction costs that are directly attributable to the asset's acquisition or origination. The Group subsequently measures financial assets at either fair value or amortised cost.

Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Group's policy on impairment is the same as that applied to its consolidated financial statements as at and for the year ended 30 June 2012 for loans and receivables .

Financial assets measured at fair value

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes recognised in profit or loss.

However, for investments in equity instruments that are not held for trading, the Group may elect at initial recognition to present gains and losses through other comprehensive income. For instruments measured at fair value through other comprehensive income gains and losses are never reclassified to profit and loss and no impairments are recognised in profit and loss. Dividends earned from such investments are recognised in profit and loss unless the dividends clearly represent a repayment of part of the cost of investment.

Investments in equity securities of subsidiaries, associates and joint ventures are measured at cost in the separate financial statements of the Company.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Trade and Other Receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

(ii) Non-derivative Financial Liabilities

Interest-bearing Borrowings

Interest-bearing borrowings are classified as other financial liabilities and are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Trade and Other Payables

Trade and other payables are stated at cost.

(iii) Derivative Financial Instruments

The Group uses derivative financial instruments to manage its exposure to interest rate and foreign currency risks arising from operational, financing and investment activities. In accordance with Treasury policy, the Group does not hold or issue derivative instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship (see below).

Cash Flow Hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

(h) Impairment

The carrying value of the Group's assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount exceeds its recoverable amount. Impairment losses directly reduce the carrying value of assets and are recognised in profit or loss unless the asset is carried at a revalued amount in accordance with another standard.

Impairment of Equity Instruments

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of assets is impaired. In the case of equity instruments that are not held for trading, the Group may elect to present gains and losses through other comprehensive income. If no election is made fair value gains and losses are recognised in profit or loss.

Impairment of Trade Receivables

Trade receivables are considered past due when they have been operated outside of the normal key trade terms. When forming a view management considers the counterparty's ability to pay, the level of security and the risk of loss.

Accounts receivables include accrued interest. Specific provisions are maintained to cover identified doubtful debts.

Impairment of Finance Receivables

Finance receivables are considered past due when they have been operated by the counterparty out of key terms, the facility has expired, and in managements view there is no possibility of the counterparty operating the facility within key terms. When forming a view management considers the counterparty's ability to pay, the level of security and the risk of loss.

Finance receivables include accrued interest and are stated at estimated net realisable value after allowing for a provision for doubtful debts. Specific provisions are maintained to cover identified doubtful debts.

The recoverable amount of the Group's investments in held-to-maturity debt instruments and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

All known losses are expensed in the period in which it becomes apparent that the receivables are not collectable.

Non-financial Assets (including goodwill)

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories 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 recoverable amount of the asset is estimated. For goodwill and intangible assets that have indefinite lives, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it relates, exceeds the 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 profit or loss. Impairment losses recognised with respect to cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or 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 or unit.

In determining the fair value using value in use, regard is given to external market evidence.

An impairment loss with respect to goodwill is not reversed. With respect to other assets losses recognised in prior periods are assessed at each reporting date for any indications that the loss may have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the carrying value of the asset does not exceed the carrying value that the asset would have had, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made is disclosed in the notes specific to that asset or liability.

Property, Plant and Equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

Intangible Assets

The fair value of intangible assets acquired in a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Biological Assets

The fair value of biological assets is based on the market price of the assets at the reporting date. The market price of biological assets intended for export is determined by recent transactions in the market place. The fair value of biological assets intended for domestic processing is determined by applying the market price of stock weight offered by meat processors to the stock weight at the reporting date less any point of sale costs including transportation.

Stock counts of livestock quantities are performed by the Group at each reporting date.

Investments in equity

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to the market price, unless other objective reliable evidence suggests a different value. Other investments where no active market exists are held at historical cost.

Trade and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Derivatives

The fair value of forward exchange contracts is based on broker quotes, if available. If broker quotes are not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate based on government bonds.

The fair value of interest rate swaps is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract using market interest rates for a similar instrument at the reporting date.

Non-derivative Financial Instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

(j) Biological Assets

Biological assets are measured at fair value less point-of-sale costs, with any change therein recognised in profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets including transportation costs.

(k) Inventories

Stock on Hand

Raw materials and finished goods are stated at the lower of cost or net realisable value. Cost is determined on a first in, first out basis, and, in the case of manufactured goods, includes direct materials, labour and production overheads.

Work in Progress

Work in Progress is stated at cost plus the profit recognised to date, less amounts invoiced to customers. Costs include all expenses directly related to specific contracts.

Wholesale Seeds

Wholesale seeds inventory is stated at the lower of cost or net realisable value and comprises costs of purchase and other direct costs incurred to bring the inventory to its present location and condition.

(l) Intangible Assets

Computer Software

Computer software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over an estimated useful life between 3 and 10 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses. Impairment loss with respect to goodwill is not reversed. With respect to equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

Research and Development

The principal research and development activities are in the development of systems, processes and new seed cultivars.

Research expenditure on the development of new systems and processes is recognised in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Research and development expenditure on the development of new seed cultivars is recognised in profit or loss as incurred. Development costs of seed cultivars are substantially indistinguishable from the cultivar research costs.

(m) Property, Plant & Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed as they are incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives for the current and comparative periods are between 3 and 40 years for plant and equipment. Depreciation methods, useful lives and residual values are reassessed at reporting date.

(n) Leasing Commitments

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classed as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the statement of financial position. Amounts payable under operating lease arrangements are recognised in profit or loss.

(o) Employee Benefits

The Group's net obligation with respect to defined benefit pension plans is calculated by estimating the future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the lower of the net assets of the plan or the current value of the contributions holiday that is expected to be generated. Actuarial gains and losses are recognised directly in other comprehensive income and the defined benefit plan reserve in equity.

Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. A provision is recognised for the amount of outstanding short-term benefits at each reporting date.

Provisions made with respect to employee benefits which are not expected to be settled within twelve months are measured as the present value of the estimated future cash outflows to be made by the Group with respect to services provided by employees up to reporting date.

(p) Share Capital

Ordinary Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Convertible Redeemable Notes

Convertible Redeemable Notes (CRNs) issued by the Group are classified as equity for accounting purposes as the Board may elect at its sole discretion to suspend payment of any interest at any time. The CRNs are initially recognised at face value with any directly attributable issue costs recognised as a deduction from equity. Quarterly interest payments to CRN holders are recognised in equity.

Repurchase of Share Capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are cancelled. Treasury stock for which unrestricted ownership has not yet been transferred are not cancelled.

(q) Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach modified by the netting of certain items as disclosed below.

Deposits received less withdrawals are netted as the cash flows are received and disbursed on behalf of customers and reflect the activities of the customers rather than those of the Company.

(r) Disclosure of Non-GAAP financial information

Non-GAAP reporting measures have been presented in the income statement or referenced to in the notes to the financial statements. The following non-GAAP measures are relevant to the understanding of the Group financial performance:

- EBITDA (a non-GAAP measure) represents earnings before net finance costs, income tax, depreciation and amortisation.
- Operating EBITDA (a non-GAAP measure) represents earnings before net finance costs, income tax, depreciation, amortisation, fair value adjustments, non-operating items and equity accounted earnings of associates.

The PGW Board and management consider the Operating EBITDA measure to promote a more meaningful communication of financial information. This measure is also the required information for certain stakeholders and for internal management reporting and review.

(s) Standards and Interpretations That Have Been Issued or Amended But Are Not Yet Effective

A number of new standards and interpretations are not yet effective for the year ended 30 June 2013 and have not been applied in preparing these consolidated financial statements. None of these standards are expected to have a significant impact on these financial statement except for:

- IFRS 9 *(2010) Financial Instruments* has been issued. This standard adds the requirements related to the classification and measurement of financial liabilities and derecognition of financial assets and liabilities to the version issued in 2009. It also includes details on how to measure fair value. This standard becomes effective in the Group's 2016 financial statements. The Group does not plan to adopt this standard early and the extent of the impact has not yet been determined.
- IFRS 10 *Consolidated Financial Statements* This standard develops a single consolidation model applicable to all investees. The standard provides that an investor consolidates an investee when it has power, exposure to variability in returns, and a linkage between the two. This standard becomes effective in the Group's 2014 financial statements. The Group does not plan to adopt this standard early and the introduction of this standard will have no impact on the Group's financial results.
- IFRS 11 *Joint Arrangements* This standard separates the arrangement into either a “joint operator” or “joint venture”. If the arrangement is a joint operator then the joint operation is consolidated in relation to its interest in the joint operation. If the arrangement is a joint venture then the joint venturer recognises an investment and accounts for that investment using the equity method. This standard becomes effective in the Group's 2014 financial statements. The Group does not plan to adopt this standard early and it is expected that the introduction of this standard will have no impact on the Group's financial results.
- IFRS 12 *Disclosure of Interests in Other Entities* This standard replaces existing requirements for disclosure of subsidiaries and joint arrangements, and makes limited amendments in relation to associates. The standard becomes effective in the Group's 2014 financial statements. The Group does not plan to adopt this standard early and the extent of the impact has not yet been determined.
- IFRS 13 *Fair Value Measurement* This standard provides a framework for determining fair value and clarifies the factors to be considered in estimating fair value in accordance with IFRS. It provides guidance on certain valuation approaches and techniques. The standard becomes effective in the Group's 2014 financial statements. The Group does not plan to adopt this standard early and the extent of the impact has not yet been determined.
- NZ IAS 19 *Employee Benefits (amended 2011)* This standard has been amended to require the recognition of changes in the defined benefit obligation and in plan assets when those service changes occur, eliminating the corridor approach and accelerating the recognition of past service costs. This amended standard becomes effective in the Group's 2014 financial statements. The Group does not plan to adopt this standard early and it is expected that the amendment will have no impact on the Group's financial results.
- NZ IAS 28 *Investments in Associates and Joint Ventures (2011)* This amendment to the standard provides clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The standard becomes effective in the Group's 2014 financial statements. The Group does not plan to adopt this standard early and the extent of the impact has not yet been determined.
- A variety of minor improvements to standards have been made in order to clarify various treatments of specific transactions. These are not expected to have an impact on the Group's financial results.

4 Segment Reporting

(a) Operating Segments

The Group has two primary operating divisions, AgriServices and AgriTech. AgriServices is further separated into three reportable segments, as described below, which are that segment's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different skills, technology and marketing strategies. Within each segment, further business unit analysis may be provided to management where there are significant differences in the nature of activities. The Managing Director or Chairman of the Board reviews internal management reports on each strategic business unit on at least a monthly basis.

- ***Retail*** . Includes the Rural Supplies and Fruitfed retail operations, AgNZ (Consulting) and ancillary sales support, supply chain and marketing functions.
- ***Livestock*** . This includes rural Livestock trading activities and Export Livestock.
- ***Other AgriServices.*** Includes Insurance, Real Estate, Wool, Irrigation and Pumping, AgNZ (training), South American activities (including livestock, veterinary supplies and irrigation), Regional Admin, Finance Commission and other related activities.
- ***AgriTech*** . Includes Seed and Grain (research and development, manufacturing and distributing forage seed, turf and grain), Agri-feeds (sale of animal nutritional products and management services) and various related activities in the developing seeds markets in South America.

Other non-segmented amounts relate to certain Corporate activities including Finance, Treasury, HR and other support services including corporate property services and include adjustments for discontinued operations (PGW Rural Capital Limited) and consolidation adjustments.

The profit/(loss) for each business unit combine to form total profit/(loss) for the AgriServices and AgriTech segments. Certain other revenues and expenses are held at the Corporate level for the Corporate functions noted above.

Assets allocated to each business unit combine to form total assets for the AgriServices and AgriTech business segments. Certain other assets are held at a Corporate level including those for the Corporate functions noted above.

	Retail **(i)		Livestock		Other AgriServices **(ii)		AgriServices		AgriTech **(iii)		Total operating segments		Other **(iv)		Total	
	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000
Total segment revenue	433,411	593,809	98,500	133,235	177,604	170,223	709,515	897,267	465,280	486,464	1,174,795	1,383,731	3,273	4,498	1,178,068	1,388,229
Intersegment revenue	-	-	-	-	-	-	-	-	(46,221)	(51,416)	(46,221)	(51,416)	-	-	(46,221)	(51,416)
Total external operating revenues	433,411	593,809	98,500	133,235	177,604	170,223	709,515	897,267	419,059	435,048	1,128,574	1,332,315	3,273	4,498	1,131,847	1,336,813
Operating EBITDA	**23,224**	**21,750**	**12,182**	**18,031**	**10,778**	**6,253**	**46,184**	**46,034**	**24,740**	**30,095**	**70,924**	**76,129**	**(25,127)**	**(20,968)**	**45,797**	**55,161**
Equity earnings of associates	-	-	-	-	(427)	-	(427)	-	1,832	121	1,405	121	78	(20)	1,483	101
Impairment losses on goodwill	-	-	(80,000)	-	(29,106)	-	(109,106)	-	(212,037)	-	(321,143)	-	-	-	(321,143)	-
Non operating items	(74)	(7)	21	4,823	(1,966)	(536)	(2,019)	4,280	(3,418)	(1,327)	(5,437)	2,953	(1,697)	(4,894)	(7,134)	(1,941)
Fair value adjustments	51	171	(2,228)	(2,629)	130	210	(2,047)	(2,248)	(3,220)	(616)	(5,267)	(2,864)	116	304	(5,151)	(2,560)
EBITDA	**23,201**	**21,914**	**(70,025)**	**20,225**	**(20,591)**	**5,927**	**(67,415)**	**48,066**	**(192,103)**	**28,273**	**(259,518)**	**76,339**	**(26,630)**	**(25,578)**	**(286,148)**	**50,761**
Depreciation and amortisation	(1,097)	(1,149)	(645)	(330)	(737)	(814)	(2,479)	(2,293)	(3,439)	(3,603)	(5,918)	(5,896)	(1,724)	(2,427)	(7,642)	(8,323)
Profit from continuing operations	22,104	20,765	(70,670)	19,895	(21,328)	5,113	(69,894)	45,773	(195,542)	24,670	(265,436)	70,443	(28,354)	(28,005)	(293,790)	42,438
Net interest and finance costs	-	(5)	(537)	450	(214)	(607)	(751)	(162)	1,925	(294)	1,174	(456)	(7,276)	(13,379)	(6,102)	(13,835)
Profit/(loss) from continuing operations before income tax	22,104	20,760	(71,207)	20,345	(21,542)	4,506	(70,645)	45,611	(193,617)	24,376	(264,262)	69,987	(35,630)	(41,384)	(299,892)	28,603
Income tax (expense)/income	(6,171)	(5,648)	(2,543)	(3,733)	(5,478)	(3,090)	(14,192)	(12,471)	(5,622)	(2,047)	(19,814)	(14,518)	14,785	11,177	(5,029)	(3,341)
Profit/(loss) from continuing operations	15,933	15,112	(73,750)	16,612	(27,020)	1,416	(84,837)	33,140	(199,239)	22,329	(284,076)	55,469	(20,845)	(30,207)	(304,921)	25,262
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	(1,584)	(809)	(1,584)	(809)
Profit/(loss) for the year	**15,933**	**15,112**	**(73,750)**	**16,612**	**(27,020)**	**1,416**	**(84,837)**	**33,140**	**(199,239)**	**22,329**	**(284,076)**	**55,469**	**(22,429)**	**(31,016)**	**(306,505)**	**24,453**
Segment assets	92,451	103,218	58,332	161,481	72,752	73,794	223,535	338,493	309,096	526,496	532,631	864,989	81,866	109,663	614,497	974,652
Equity accounted investees	-	-	-	30	1,174	-	1,174	30	2,972	141	4,146	171	64	98	4,210	269
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	801	5,551	801	5,551
Total segment assets	92,451	103,218	58,332	161,511	73,926	73,794	224,709	338,523	312,068	526,637	536,777	865,160	82,731	115,312	619,508	980,472
Segment liabilities	(34,206)	(46,900)	(43,610)	(60,046)	(38,752)	(29,194)	(116,568)	(136,140)	(140,486)	(199,149)	(257,054)	(335,289)	(106,348)	(67,409)	(363,402)	(402,698)
Capital expenditure (incl software)	775	865	1,039	1,243	491	558	2,305	2,666	3,245	10,503	5,550	13,169	2,149	(402)	7,699	12,767

* The table below provides information in addition to the segment reporting to further split elements of some segments. This analysis on key aspects of the segment components (as indicated by asterisks in the segment analysis) is provided as additional tables to the segment note

** Further analysis of trading performance of segments, to assist with segment reporting:

(i) Retail	Rural Supplies		Fruitfed		Other***		RETAIL	
	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000
Total segment revenue	459,074	467,516	128,712	125,152	(154,375)	1,141	433,411	593,809
Intersegment revenue	-	-	-	-	-	-	-	-
Total external operating revenues	459,074	467,516	128,712	125,152	(154,375)	1,141	433,411	593,809
Operating EBITDA	**23,699**	**22,250**	**5,957**	**5,710**	**(6,432)**	**(6,210)**	**23,224**	**21,750**

(ii) Other AgriServices	Insurance		Real Estate		Irrigation & Pumping		AgNZ		Wool	
	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000
Total segment revenue	3,028	3,084	24,178	25,950	45,161	29,828	4,083	5,063	79,485	87,023
Intersegment revenue	-	-	-	-	-	-	-	-	-	-
Total external operating revenues	3,028	3,084	24,178	25,950	45,161	29,828	4,083	5,063	79,485	87,023
Operating EBITDA	**2,644**	**2,642**	**1,251**	**2,012**	**5,024**	**2,439**	**1,135**	**1,792**	**7,382**	**3,320**

(ii) Other AgriServices	South America		Regional Overhead		Finance Commission		Other AgriServices	
	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000
Total segment revenue	21,009	18,686	-	(2)	660	591	177,604	170,223
Intersegment revenue	-	-	-	-	-	-	-	-
Total external operating revenues	21,009	18,686	-	(2)	660	591	177,604	170,223
Operating EBITDA	**1,748**	**3,116**	**(8,815)**	**(9,290)**	**409**	**222**	**10,778**	**6,253**

(iii) AgriTech	Seeds and Grain		Agrifeeds		South America		AgriTech	
	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000
Total segment revenue	347,457	336,554	13,555	53,683	104,268	96,227	465,280	486,464
Intersegment revenue	(39,618)	(51,416)	-	-	(6,603)	-	(46,221)	(51,416)
Total external operating revenues	307,839	285,138	13,555	53,683	97,665	96,227	419,059	435,048
Operating EBITDA	**19,638**	**19,361**	**474**	**5,273**	**4,628**	**5,461**	**24,740**	**30,095**

(iv) Other	HR & Corporate Services		PGW Rural Capital		Finance (PWF)		Group Elimination / Consolidation & Discontinued operations adjustment		Other	
	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000
Total segment revenue	3,272	4,498	1,991	7,000	-	9,243	(1,990)	(16,243)	3,273	4,498
Intersegment revenue	-	-	-	-	-	-	-	-	-	-
Total external operating revenues	3,272	4,498	1,991	7,000	-	9,243	(1,990)	(16,243)	3,273	4,498
Operating EBITDA	**(25,227)**	**(20,457)**	**(2,200)**	**(1,140)**	**-**	**1,170**	**2,300**	**(541)**	**(25,127)**	**(20,968)**

***Sales made via an agency relationship are treated as revenue for management reporting purposes and are eliminated for statutory reporting purposes.

The Group operates predominantly in New Zealand with some operations in Australia, South America and formerly the United Kingdom.

The Australian and South American business units facilitate the export sales and services of New Zealand operations in addition to their own seed trading operations. Inter-segment pricing is determined on an arm's length basis.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Group 2013 $000	Group 2012 $000
Revenue derived from outside the Group		
New Zealand	926,526	1,142,733
Australia	86,647	78,798
South America	118,674	114,913
United Kingdom	-	369
Total revenue derived from outside the Group	1,131,847	1,336,813
Non current assets excluding financial instruments and deferred tax		
New Zealand	98,812	391,221
Australia	16,091	38,588
South America	6,598	10,738
Total non current assets excluding financial instruments and deferred tax	121,501	440,547

5 Operating Revenue

		Continuing operations		Discontinued operations		Total	
Group	Note	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000
Sales		991,198	1,201,645	-	17	991,198	1,201,662
Commissions		97,839	107,053	-	73	97,839	107,126
Construction contract revenue		40,407	24,761	-	-	40,407	24,761
Interest revenue on finance receivables		-	-	1,991	16,153	1,991	16,153
Debtor interest charges		2,403	3,354	-	-	2,403	3,354
Total operating revenue	13	**1,131,847**	**1,336,813**	**1,991**	**16,243**	**1,133,838**	**1,353,056**
Company							
Sales		485,765	670,329	-	-	485,765	670,329
Commissions		56,020	66,022	-	-	56,020	66,022
Construction contract revenue		39,417	24,761	-	-	39,417	24,761
Debtor interest charges		1,860	2,878	-	-	1,860	2,878
Total operating revenue		**583,062**	**763,990**	**-**	**-**	**583,062**	**763,990**

6 Other Income

	2013 $000	2012 $000
Group		
Dividend income	586	362
Other investment income	681	1,188
	1,267	1,550
Company		
Dividend income	480	14
Interest income on preference share investment in PWF	-	453
Other investment income	495	180
	975	647

7 Operating Expenses

	2013 $000	2012 $000
Group		
Operating expenses include the following items:		
Audit of financial statements - KPMG	609	326
Other non-audit services for accounting opinions paid to KPMG	42	70
Directors' fees	862	763
Donations	8	13
Doubtful debts - (decrease)/increase in provision for doubtful debts	(992)	1,986
Doubtful debts - bad debts written off	2,111	225
Marketing	8,202	9,328
Motor vehicle costs	8,205	8,979
Rental and operating lease costs	28,072	30,518
Other expenses	52,240	50,016
	99,359	**102,224**
Company		
Audit of financial statements - KPMG	316	67
Other non-audit services for accounting opinions paid to KPMG	29	58
Directors' fees	823	757
Donations	3	1
Doubtful debts - (decrease)/increase in provision for doubtful debts	(1,940)	2,032
Doubtful debts - bad debts written off	2,100	109
Marketing	3,107	3,418
Motor vehicle costs	4,954	5,659
Rental and operating lease costs	16,263	19,191
Other expenses	28,273	22,336
	53,928	**53,628**

8 Equity Accounted Earnings of Associates

	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenues	Expenses	Profit / (loss) after tax	PGW Share
30 June 2013										
Continuing										
51% Forage Innovations Limited	1,268	-	1,268	(872)	-	(872)	1,038	(944)	94	48
50% Gramina Pty Limited	34	-	34	(149)	-	(149)	8	(175)	(167)	-
50% Canterbury Sale Yards (1996) Limited	138	5	143	(16)	-	(16)	574	(512)	62	31
50% 4Seasons Feeds Limited	7,279	1,983	9,262	(1,425)	(3,651)	(5,076)	35,217	(33,031)	2,186	1,093
50% Lounay S.A.	11,843	136	11,979	(10,586)	-	(10,586)	21,760	(20,984)	776	691
20% Di Santi y Romualdo LTDA	7,789	115	7,904	(4,730)	-	(4,730)	27,305	(25,694)	1,611	(427)
Disposed										
50% Agritranz Limited	-	-	-	-	-	-	3,540	(3,445)	95	47
50% Kelso Wrightson (2004) Limited	-	-	-	-	-	-	-	-	-	-
	28,351	2,239	30,590	(17,778)	(3,651)	(21,429)	89,442	(84,785)	4,657	**1,483**
30 June 2012										
Continuing										
50% Agritranz Limited	683	28	711	(524)	-	(524)	2,941	(2,877)	63	15
51% Forage Innovations Limited	481	-	481	(180)	-	(180)	781	(544)	237	121
50% Gramina Pty Limited	240	-	240	(185)	-	(185)	216	(216)	-	-
50% Canterbury Sale Yards (1996) Limited	91	5	96	(31)	-	(31)	447	(473)	(26)	(35)
Disposed/Impaired										
50% Kelso Wrightson (2004) Limited	-	-	-	-	-	-	-	-	-	-
	1,495	33	1,528	(920)	-	(920)	4,385	(4,110)	274	**101**

On 17 December 2012 the Group exited its 50% interest in Kelso Wrightson (2004) Limited for $0.007 million. Disposal costs of exiting this investment was $0.004m. On 24 June 2013 the Group exited its 50% investment in Agritranz Limited and incurred a loss on disposal of $0.036 million. There were no disposal costs of exiting this investment.

On 1 August 2012 the Group entered into an incorporated joint venture in New Zealand, 4Seasons Feeds Limited. This joint venture company operates in the sale and distribution of molasses liquid feed.

The Group also entered into two new investments in South America; Lounay S.A. and Di Santi y Romualdo LTDA. Lounay S.A. is a joint venture company that conducts fertiliser sales activities. Di Santi y Romualdo LTDA is a export livestock joint venture company.

9 Non Operating Items

	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Gains /(Losses) on sale of businesses, property plant and equipment		(3,612)	(1,988)	(317)	(1,334)
Gains / (Losses) on sale of PGG Wrightson Finance Limited	13	-	(3,656)	-	20,013
Onerous property lease	28	(1,764)	-	-	-
Silver Fern Farms supply contract	28	147	5,034	147	5,034
Defined benefit superannuation plan	29	(833)	446	(833)	446
Management fee to subsidiaries	37	-	-	(212,228)	(7,000)
Restructuring		(1,712)	(1,596)	(945)	(560)
Other non operating items		640	(181)	-	(6)
		(7,134)	**(1,941)**	**(214,176)**	**16,593**
Impairment losses on goodwill	26	(321,143)	-	(91,323)	-
		(328,277)	**(1,941)**	**(305,499)**	**16,593**

On 1 August 2012 the Group entered into an incorporated joint venture in respect of the molasses liquid feed business. The transaction involved the Group divesting certain assets including intangibles from Agri-feeds into the joint venture company 4Seasons Feeds Limited to create a supply chain to import, transport and distribute molasses through the former Agri-feeds channel. Under the terms of the agreement Agri-feeds manages the operations of the joint venture company in return for a management fee. A loss on sale of assets of $2.9 million was incurred with $2.8 million of this loss pertaining to a loss on the sale of goodwill.

The management fee to subsidiaries represents the Company's reimbursement in respect of the goodwill impairment that arose upon consolidation.

10 Fair Value Adjustments

	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Continuing Operations					
Assets held for sale	19	(140)	(514)	(140)	(514)
Biological assets	20	(1,739)	(953)	(1,739)	(952)
BioPacific Ventures (to 31 December 2011)	25	-	(161)	-	-
Derivatives not in qualifying hedge relationships		(3,272)	(932)	(52)	(316)
		(5,151)	**(2,560)**	**(1,931)**	**(1,782)**

11 Interest - Finance Income and Expense

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Finance income contains the following items:				
Interest received from Group companies	-	2	-	-
Other interest income	214	1,632	315	1,746
Finance income	214	1,634	315	1,746
Interest funding expense				
Interest on interest rate swaps	(280)	(1,399)	(280)	(1,399)
Interest on bank loans and overdrafts	(5,537)	(8,737)	(4,390)	(8,638)
Bank facility fees	(4,240)	(4,937)	(3,444)	(4,723)
Net gain / (loss) on foreign denominated items	3,741	(396)	(14)	81
Finance expense	(6,316)	(15,469)	(8,128)	(14,679)
Net interest and finance costs	**(6,102)**	**(13,835)**	**(7,813)**	**(12,933)**

12 Income Tax Expense

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Current tax expense				
Current year	5,584	7,861	-	(1,660)
Adjustments for prior years	2,723	(8,248)	(6,181)	2,547
	8,307	(387)	(6,181)	887
Deferred tax expense				
Origination and reversal of temporary differences	4,477	(6,532)	1,616	343
Effect of change in tax rates	-	-	-	-
Adjustments for prior years	(7,755)	10,260	605	(1,616)
	(3,278)	3,728	2,221	(1,273)
Total income tax expense	**5,029**	**3,341**	**(3,960)**	**(386)**
Profit/(loss) for the year	(306,505)	24,453	(305,830)	13,503
Total income tax expense	5,029	3,341	(3,960)	(386)
Tax on discontinued operations	(616)	(2,573)	-	-
Profit/(loss) excluding income tax	(302,092)	25,221	(309,790)	13,117

	Group 2013 %	Group 2013 $000	Group 2012 %	Group 2012 $000	Company 2013 %	Company 2013 $000	Company 2012 %	Company 2012 $000
Income tax using the Company's domestic tax rate	28.0%	(84,586)	28.0%	7,062	28.0%	(86,741)	28.0%	3,673
Effect of tax rates in foreign jurisdictions	0.5%	(1,519)	9.4%	2,371	0.0%	-	0.0%	-
Non-deductible expenses	-30.2%	91,323	0.3%	64	-10.6%	32,717	14.1%	1,850
Effect of reduction in corporate tax rate	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Adjustment to deferred tax on buildings	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Deductible expenses included in other comprehensive income	0.0%	-	-2.4%	(598)	0.0%	-	-4.6%	(598)
Taxable dividends from equity accounted associates	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Tax effect of discontinued operations	-0.2%	616	10.2%	2,573	0.0%	-	0.0%	-
Tax exempt income	0.4%	(1,354)	-24.7%	(6,225)	0.0%	4	-47.6%	(6,242)
Under/(over) provided in prior years	1.7%	(5,032)	8.0%	2,012	1.8%	(5,576)	7.1%	931
Group loss offsets	0.0%	-	0.0%	-	-18.0%	55,636	0.0%	-
Derecognition of carried forward tax losses	-1.8%	5,581	0.0%	-	0.0%	-	0.0%	-
Deferred tax impact of entry into tax consolidation regime	0.0%	-	-15.5%	(3,918)	0.0%	-	0.0%	-
	-1.7%	**5,029**	13.2%	**3,341**	1.3%	**(3,960)**	-2.9%	**(386)**

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Income tax recognised directly in equity				
Deferred tax on movement of actuarial gains/losses on employee benefit plans	(1,758)	2,727	(1,758)	2,727
Total income tax recognised directly in equity	(1,758)	2,727	(1,758)	2,727
Imputation credits				
Balance as at 1 July	6,888	3,880	6,888	3,880
Taxation paid (net of refunds)	176	3,623	176	3,623
Imputation credits/RWT attached to dividends received	265	-	265	-
Imputation credits attached to dividends paid	(6,196)	-	(6,196)	-
Transfers, refunds and adjustments	138	(615)	(1,133)	(615)
Balance as at 30 June	1,271	6,888	-	6,888

13 Discontinued Operations

On 31 August 2011 the Group sold its finance subsidiary PGG Wrightson Finance Limited (PWF) to Heartland New Zealand Limited's wholly-owned subsidiary Heartland Building Society (Heartland).

In connection with the PWF sale transaction the Group transferred certain excluded loans to its wholly owned subsidiary, PGW Rural Capital Limited, which has worked to realise or refinance these facilities over the short to medium term. In addition certain PWF loans sold to Heartland were guaranteed by the Group with any loans put to it or called by the Group transferred to PGW Rural Capital Limited. The operations of PGW Rural Capital Limited are treated as discontinued and are included within this note.

In the year ended 30 June 2013 PGW Rural Capital Limited contributed a loss after tax of $1.58 million (2012: loss after tax of $0.97 million)

Profits attributable to the discontinued operation were as follows:	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Results of discontinued operations					
Revenue		1,991	16,243	-	-
Expenses		(4,191)	(18,556)	-	-
		(2,200)	(2,313)	-	-
Fair value adjustments		-	(1,069)	-	-
Results from operating activities		(2,200)	(3,382)	-	-
Income tax expense		616	2,573	-	-
		(1,584)	(809)	-	-
Gain / (loss) on sale of discontinued operation (PWF)	9	-	(3,656)	-	20,013
Tax on gain on sale of discontinued operation (PWF)		-	-	-	-
Profit/(loss) for the year		**(1,584)**	**(4,465)**	**-**	**20,013**
Basic and diluted earnings per share (New Zealand dollars) *(refer to Note 14 for weighted average number of shares)*		0.00	-0.01	0.00	0.03
Cash flows from discontinued operations					
Net cash from operating activities		11,383	14,120	-	-
Net cash from/(used in) discontinued operation		11,383	14,120	-	-
Effect of disposal on the financial position of the Group					
Property, plant and equipment		-	(54)	-	-
Intangibles		-	(250)	-	-
Trade and other receivables		-	(401,755)	-	-
Cash and cash equivalents		-	(61,686)	-	-
Trade and other payables		-	375,569	-	-
Income tax		-	(9,892)	-	-
Net identifiable assets and liabilities		-	(98,068)	-	-
Consideration received, satisfied in cash		-	98,172	-	-
Cash and cash equivalents disposed of		-	(61,634)	-	-
Net cash inflow		-	36,538	**-**	**-**

14 Earnings Per Share and Net Tangible Assets

Basic earnings per share

The calculation of basic earnings per share at 30 June 2013 was based on the profit/(loss) attributable to ordinary shareholders of ($306,505,000) (2012: $24,453,000) by the weighted average number of shares, 754,848,774 (2012: 754,848,774) on issue. There are no dilutive shares or options (2012: Nil).

Number of shares	Group 2013	Group 2012
Weighted average number of ordinary shares for earnings per share calculation	754,849	754,849
Number of ordinary shares at year end	754,849	754,849

Net Tangible Assets	Group 2013 $000	Group 2012 $000
Total assets	619,508	980,472
Total liabilities	(363,402)	(402,698)
less intangible assets	(6,715)	(332,925)
less deferred tax	(9,422)	(14,458)
	239,968	**230,391**

	Group 2013 $000	Group 2012 $000
Net tangible assets per security at year end	0.32	0.31
Earnings per share	(0.41)	0.03

15 Cash and Bank Facilities

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Cash and cash equivalents	5,845	15,911	326	6,319
Bank overdraft	(12,463)	-	(9,514)	-
Current bank facilities	(35,239)	(29,709)	-	-
Term bank facilities	(62,000)	(111,500)	(62,000)	(111,500)
	(103,857)	**(125,298)**	**(71,188)**	**(105,181)**

The Group has bank facilities of $215.8 million. The Company has granted to ANZ Bank New Zealand Limited a general security deed and mortgage over all its assets. ANZ Bank New Zealand Limited holds this security on trust for the banking syndicate.
The Company bank facilities include:

- A term debt facility of $110.00 million that matures on 31 July 2014.
- A working capital facility of $60.00 million that matures on 31 July 2014.
- Overdraft and guarantee facilities of $12.34 million.

As at 30 June 2013 the Company's overdraft facility was temporarily exceeded due to funds being in transit from subsidiaries. The Company obtained approval from the Bank for the unarranged amount post 30 June 2013.

16 Derivative Financial Instruments

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Derivative assets held for risk management	665	3,450	279	972
Derivative liabilities held for risk management	(3,074)	(1,754)	(429)	(1,069)
Net derivatives held for risk management	**(2,409)**	**1,696**	**(150)**	**(97)**

Cash flow hedges of interest rate risk
The Company uses interest rate swaps to hedge its exposure to changes in the market rates of variable and fixed interest rates.

Other derivatives held for risk management
The Company also uses forward exchange contracts, spot foreign exchange contracts and foreign exchange options to manage its exposure to foreign currency fluctuations.

17 Trade and Other Receivables

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Accounts receivable	204,755	196,146	87,520	98,391
Less provision for doubtful debts	(5,742)	(8,720)	(3,848)	(6,791)
Net accounts receivable	199,013	187,426	83,672	91,600
Other receivables and prepayments	18,808	19,680	9,839	12,168
Amounts owing from subsidiaries	-	-	99,696	274,818
Trade receivables due from related parties	-	-	1,938	744
	217,821	**207,106**	**195,145**	**379,330**
Analysis of movements in provision for doubtful debts				
Balance at beginning of year	(8,720)	(8,734)	(6,791)	(6,081)
Movement in provision	2,978	14	2,943	(710)
Balance at end of year	**(5,742)**	**(8,720)**	**(3,848)**	**(6,791)**

Receivables denominated in currencies other than the functional currency comprise $58.8 million (2012: $18.7 million) of trade receivables denominated in NZD equivalent; USD $30.8 million (2012: $13.7 million), AUD $0.1 million (2012: $1.2 million), EUR $27.3 million (2012: $3.6 million) and GBP $0.6 million (2012: $0.2 million).

18 Finance Receivables

As part of the sale of the Group's finance subsidiary PGG Wrightson Finance (PWF) to Heartland Building Society, certain excluded loans were acquired by the Group's wholly owned subsidiary PGW Rural Capital Limited. In addition certain PWF loans sold to Heartland were guaranteed by the Group. Loans put to the Group or called by the Group during the year ended 30 June 2013 have been transferred to PGW Rural Capital Limited and are included within this note.

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Finance receivables - less than one year	22,348	47,494	-	-
Finance receivables - greater than one year	-	-	-	-
	22,348	47,494	-	-
Less provision for doubtful debts	(10,871)	(18,246)	-	-
	11,477	**29,248**	**-**	**-**
Impairment:				
Balance at the beginning of the period	(18,246)	-	-	-
Acquired provision for doubtful debts	-	(23,458)	-	-
Impairment losses recognised in the income statement	(4,103)	(13,550)	-	-
Interest charged on impaired accounts	(2,286)	(3,507)	-	-
Amounts written off in the income statement	13,764	22,624	-	-
Amounts written off not previously provided for	-	(355)	-	-
Movement in specific provision and bad debts written off	**(10,871)**	**(18,246)**	**-**	**-**

The status of the receivables at the reporting date is as follows:	Group Not impaired 2013 $000	Group Impaired 2013 $000	Group Not impaired 2012 $000	Group Impaired 2012 $000	Company Not impaired 2013 $000	Company Impaired 2013 $000	Company Not impaired 2012 $000	Company Impaired 2012 $000
Not past due	-	-	-	-	-	-	-	-
Past due 0 - 90 days	-	-	-	-	-	-	-	-
Past due 91 - 365 days	-	-	-	-	-	-	-	-
Past due more than 1 year	-	22,348	-	47,494	-	-	-	-
Impairment	-	(10,871)	-	(18,246)	-	-	-	-
	-	**11,477**	**-**	**29,248**	**-**	**-**	**-**	**-**

Asset Quality - Finance Loans and Receivables	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Neither past due or impaired	-	-	-	-
Individually impaired loans	22,348	47,494	-	-
Past due loans	-	-	-	-
Provision for credit impairment	(10,871)	(18,246)	-	-
Total carrying amount	**11,477**	**29,248**	**-**	**-**
Aging of Past Due but not Impaired				
Past due 1-90 days	-	-	-	-
Past due 91-180 days	-	-	-	-
Past due 180-365 days	-	-	-	-
Past due more than 365 days	-	-	-	-
Total past due but not impaired assets	**-**	**-**	**-**	**-**
90 Day Past Due Assets (includes impaired assets)				
Balance at the beginning of the year	47,494	-	-	-
Additions to 90 day past due assets	15,567	47,494	-	-
Reduction in 90 day past due assets	(40,713)	-	-	-
Balance at the end of the year	**22,348**	**47,494**	**-**	**-**
Impaired Assets				
Balance at the beginning of the year	47,494	-	-	-
Acquired impaired assets	10,979	90,180	-	-
Additions to individually impaired assets	4,588	10,344	-	-
Amounts written off	(13,764)	(22,624)	-	-
Repayments	(26,949)	(30,406)	-	-
Balance at the end of the year	**22,348**	**47,494**	**-**	**-**
Provision for credit impairment	(10,871)	(18,246)	-	-
Net carrying amount of impaired assets	**11,477**	**29,248**	**-**	**-**

19 Assets Held for Sale

Properties

The Group currently has three properties classed as held for sale. The properties are on the market and are held at market value (Note 10). An impairment of $0.14 million (2012: $0.5 million) has been recognised on reclassification to held for sale. During the period to 30 June 2013 management determined that one of the properties previously held for sale has become more strategic in the Group's plans and is not expected to be sold within the next 12 months. Accordingly this property is no longer included in assets held for sale.

A total impairment loss of $0.14 million (2012: $0.5 million) on the re-measurement of the disposal groups to the lower of their carrying amount and fair value less costs to sell has been recognised in Fair Value Adjustments.

Assets classified as held for sale	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Property, plant and equipment	801	5,551	801	5,551
	801	**5,551**	**801**	**5,551**

20 Biological Assets

	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Livestock					
Opening balance		20,858	25,565	20,858	25,565
Increase due to acquisitions		15,390	40,863	15,390	40,863
Decrease due to sales		(30,076)	(44,574)	(30,076)	(44,574)
Net decrease due to births, deaths and category changes		(53)	(43)	(53)	(43)
Changes in fair value	10	(1,739)	(953)	(1,739)	(953)
Closing balance		**4,380**	**20,858**	**4,380**	**20,858**
Current		4,233	20,651	4,233	20,651
Non-current breeding stock		147	207	147	207
		4,380	**20,858**	**4,380**	**20,858**

As at 30 June 2013, livestock held for sale comprised 3,099 cattle, 9,453 sheep and 165 other (consisting of bulls) (2012: 11,677 cattle, 54,983 sheep and 256 other (consisting of bulls and deer)). During the year the Group sold 14,560 cattle, 106,330 sheep and 91 other (2012: 20,157 cattle, 158,491 sheep and 32 other).

21 Inventory

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Merchandise/finished goods	244,109	240,978	48,389	50,391
Work in progress	6,047	4,461	2,627	2,621
Less provision for inventory write down	(6,506)	(6,037)	(1,354)	(2,473)
	243,650	**239,402**	**49,662**	**50,539**

Consideration is given to factors such as age, germination levels and quality when assessing the net realisable value of seeds inventory.

22 Deferred Tax Assets and Liabilities

	Assets 2013 $000	Assets 2012 $000	Liabilities 2013 $000	Liabilities 2012 $000	Net 2013 $000	Net 2012 $000
Recognised deferred tax assets and liabilities						
Deferred tax assets and liabilities are attributable to the following:						
Group						
Property, plant and equipment	-	59	(7,903)	(3,625)	(7,903)	(3,566)
Intangible assets	-	-	(1,605)	(1,720)	(1,605)	(1,720)
Provisions	18,023	15,116	-	-	18,023	15,116
Other items	907	4,628	-	-	907	4,628
Tax (asset)/liability	**18,930**	**19,803**	**(9,508)**	**(5,345)**	**9,422**	**14,458**
Company						
Property, plant and equipment	-	-	(6,529)	(2,440)	(6,529)	(2,440)
Intangible assets	-	-	(1,592)	(1,719)	(1,592)	(1,719)
Provisions	12,004	7,579	-	-	12,004	7,579
Other items	-	-	-	-	-	-
Tax (asset)/liability	**12,004**	**7,579**	**(8,121)**	**(4,159)**	**3,883**	**3,420**

Movement in deferred tax on temporary differences during the year	Balance 1 Jul 2011 $000	Recognised in profit or loss $000	Recognised in other comprehensive income $000	Balance 30 Jun 2012 $000	Recognised in profit or loss $000	Recognised in other comprehensive income $000	Balance 30 Jun 2013 $000
Group							
Property, plant and equipment	(3,223)	(343)	-	(3,566)	(4,337)	-	(7,903)
Change in corporate tax rate	(634)	634	-	-	-	-	-
Intangible assets	(2,001)	281	-	(1,720)	115	-	(1,605)
Employee benefits	3,914	1,184	2,727	7,825	4,421	(1,758)	10,488
Provisions	8,534	(1,243)	-	7,291	244	-	7,535
Other items	1,413	3,215	-	4,628	(3,721)	-	907
	8,003	3,728	2,727	**14,458**	(3,278)	(1,758)	**9,422**
Company							
Property, plant and equipment	(2,391)	354	-	(2,037)	(4,492)	-	(6,529)
Change in corporate tax rate	(99)	99	-	-	-	-	-
Intangible assets	(1,986)	267	-	(1,719)	127	-	(1,592)
Employee benefits	2,951	940	2,727	6,618	4,671	(1,758)	9,531
Provisions	3,491	(2,933)	-	558	1,915	-	2,473
Other items	-	-	-	-	-	-	-
	1,966	(1,273)	2,727	**3,420**	2,221	(1,758)	**3,883**

Unrecognised tax losses / Unrecognised temporary differences

The Group has unrecognised deferred tax assets of $5.6 million as at 30 June 2013 and does not have any unrecognised temporary differences (2012: nil). These tax assets largely relate to carried forward losses in Australian operations of the Group. The Company does not have any unrecognised tax losses or unrecognised temporary differences (2012: nil).

23 Group entities

Significant Subsidiaries	Country of Incorporation	Direct Parent	Ownership interest 2013 %	2012 %
PGW Agritech Holdings Limited	New Zealand	PGG Wrightson Limited	100%	100%
PGW Rural Capital Limited	New Zealand	PGG Wrightson Limited	100%	100%
PGG Wrightson Employee Benefits Plan Trustee Limited	New Zealand	PGG Wrightson Limited	100%	100%
PGG Wrightson Real Estate Limited	New Zealand	PGG Wrightson Limited	100%	100%
Agriculture New Zealand Limited	New Zealand	PGG Wrightson Limited	100%	100%
PGG Wrightson Trustee Limited	New Zealand	PGG Wrightson Limited	100%	100%
PGW Corporate Trustee Limited	New Zealand	PGG Wrightson Limited	100%	100%
PGG Wrightson Wool Limited	New Zealand	PGG Wrightson Limited	100%	100%
AgriServices South America Limited	New Zealand	PGG Wrightson Limited	100%	100%
PGG AgriServices Australia Pty Limited	Australia	PGG Wrightson Limited	100%	100%
PGG Wrightson Investments Limited	New Zealand	PGG Wrightson Limited	100%	100%
Agri-Feeds Limited	New Zealand	PGW Agritech New Zealand Limited	100%	100%
PGG Wrightson Seeds Limited	New Zealand	PGW Agritech New Zealand Limited	100%	100%
PGW Agritech New Zealand Limited	New Zealand	PGW Agritech Holdings Limited	100%	100%
AgriTech South America Limited	New Zealand	PGW Agritech Holdings Limited	100%	100%
PGW Agritech Australia Pty Limited	Australia	PGW Agritech Holdings Limited	100%	100%
PGG Wrightson Consortia Research Limited	New Zealand	PGG Wrightson Seeds Limited	100%	100%
Grasslands Innovation Limited	New Zealand	PGG Wrightson Seeds Limited	70%	70%
Agricom Limited	New Zealand	PGG Wrightson Seeds Limited	100%	100%
PGG Wrightson Genomics Limited	New Zealand	PGG Wrightson Seeds Limited	100%	100%
Wrightson Seeds Limited	New Zealand	PGG Wrightson Seeds Limited	100%	100%
New Zealand Wool Handlers Limited	New Zealand	PGG Wrightson Wool Limited	100%	100%
Bloch & Behrens Wool (NZ) Limited	New Zealand	PGG Wrightson Wool Limited	100%	100%
PGG Wrightson Employee Benefits Plan Limited	New Zealand	PGG Wrightson Employee Benefits Plan Trustee Limited	100%	100%
AusWest Seeds Pty Limited	Australia	PGG Wrightson Seeds (Australia) Pty Limited	100%	100%
PGG Wrightson Seeds (Australia) Pty Limited	Australia	PGW AgriTech Australia Pty Limited	100%	100%
Agricom Australia Seeds Pty Limited	Australia	PGW AgriTech Australia Pty Limited	100%	100%
Agricom Australia Pty Limited	Australia	PGW AgriTech Australia Pty Limited	100%	100%
Stephen Pasture Seeds Pty Limited	Australia	AusWest Seeds Pty Limited	100%	100%
Juzay S.A.	Uruguay	AgriServices South America Limited	100%	100%
PGW AgriTech South America SA	Uruguay	AgriTech South America Limited	100%	100%
Wrightson Pas S.A. Limited	Uruguay	AgriTech South America Limited	100%	100%
PGG Wrightson Uruguay Limited	Uruguay	Juzay S.A.	100%	100%
Hunker S.A. (t/a Rural Centre)	Uruguay	Juzay S.A.	100%	100%
Lanelle S.A. (t/a Riegoriental)	Uruguay	Juzay S.A.	70%	70%
Afinlux S.A. (t/a Romualdo Rodriguez)	Uruguay	Juzay S.A.	51%	51%
Idogal S.A. (t/a Veterinaria Lasplaces)	Uruguay	Juzay S.A.	52%	52%
Agrosan S.A.	Uruguay	PGW AgriTech South America SA	100%	100%
Alfalfares S.R.L.	Argentina	PGW AgriTech South America SA	100%	51%
NZ Ruralco Participacoes Ltda	Brazil	PGW AgriTech South America SA	100%	100%
Kroslyn SA Limited	Uruguay	Agrosan SA Limited	100%	100%
Guarneri y Ghilino Ltda	Uruguay	Idogal SA	51%	51%
Escritorio Romualdo Rodriguez Ltda	Uruguay	Afinlux SA	100%	100%

Acquisition of Subsidiaries or Businesses

On 1 August 2012 the Group entered into an incorporated joint venture in respect of the molasses liquid feed business. The transaction involved the Group divesting certain assets including intangibles from Agri-feeds into the joint venture company 4Seasons Feeds Limited. This JV entity is an associate and is accounted for using the equity method.

24 Equity Accounted Associates

	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Movement in carrying value of equity accounted investees					
Opening balance		269	168	30	126
New investments		2,567	-	-	-
Reclassification		-	-	(30)	(96)
Currency translation		34		-	
Divestment of associate		(84)	-	-	-
Impairment of investments in associates		-	-	-	-
Share of profit/(loss)	8	1,483	101	-	-
Dividends received		(59)	-	-	-
Closing balance		**4,210**	**269**	**-**	**30**

There is no goodwill included in the carrying value of equity accounted investees (2012: Nil). The company's investment in Canterbury Sale Yards Limited was transferred to PGG Wrightson Investments Limited on 31 January 2013.

25 Other Investments

	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
BioPacific Ventures Limited	35	9,987	8,760	-	-
Heartland New Zealand Limited		11,067	7,067	11,067	7,067
Sundry other investments including saleyards		1,479	5,537	476	457
Advances to associates		1,462	(81)	16	54
		23,995	**21,283**	**11,559**	**7,578**

A fair value gain of $1.1 million was recorded in Other Comprehensive Income for the BioPacific Ventures Limited investment in the year ended 30 June 2013. The investment is classified as level 3 in the financial instruments note (Note 32). A fair value gain of $4.0 million was recorded in Other Comprehensive Income for the Heartland New Zealand Limited investment in the year ended 30 June 2013. The investment is classified as level 1 in the financial instruments note (Note 32).

Saleyards investments, which do not have a market price in an active market and whose fair value can not be reliably determined, are carried at cost.

Advances to associates includes a loan to 4Seasons Feeds Limited and small loans from various saleyard entities and seeds activities.

26 Intangible Assets

	Group Software $000	Group Trademarks & Patents $000	Group Goodwill $000	Group Total $000	Company Software $000	Company Trademarks & Patents $000	Company Goodwill $000	Company Total $000
Cost								
Balance at 1 July 2011	14,163	1,512	346,882	362,557	10,042	-	307,246	317,288
Additions	1,064	25	-	1,089	590	-	-	590
Added as part of a business combination	-	-	-	-	-	-	-	-
Disposals and reclassifications	(250)	(512)	-	(762)	54	-	(195,000)	(194,946)
Effect of movement in exchange rates	19	-	310	329	(105)	-	-	(105)
Balance at 30 June 2012	**14,996**	**1,025**	**347,192**	**363,213**	**10,581**	**-**	**112,246**	**122,827**
Balance at 1 July 2012	14,996	1,025	347,192	363,213	10,581	-	112,246	122,827
Additions	990		-	990	844	-	-	844
Added as part of a business combination	-	-	-	-	-	-	-	-
Disposals and reclassifications	(12)	(8)	(4,750)	(4,770)	(61)	-	-	(61)
Effect of movement in exchange rates	(79)	-	206	127	-	-	-	-
Balance at 30 June 2013	**15,895**	**1,017**	**342,648**	**359,560**	**11,364**	**-**	**112,246**	**123,610**
Amortisation and impairment losses								
Balance at 1 July 2011	6,568	575	21,505	28,648	2,951	-	20,923	23,874
Amortisation for the year	2,579	-	-	2,579	1,491	-	-	1,491
Amortisation on discontinued operations	(843)	-	-	(843)	-	-	-	-
Disposals and reclassifications	(96)	-	-	(96)	(1)	-	-	(1)
Impairment	-	-	-	-	-	-	-	-
Balance at 30 June 2012	**8,208**	**575**	**21,505**	**30,288**	**4,441**	**-**	**20,923**	**25,364**
Balance at 1 July 2012	8,208	575	21,505	30,288	4,441	-	20,923	25,364
Amortisation for the year	1,432	-	-	1,432	1,244	-	-	1,244
Amortisation on discontinued operations	-	-	-	-	-	-	-	-
Disposals and reclassifications	(18)	-	-	(18)	(9)	-	-	(9)
Impairment losses on goodwill	-	-	321,143	321,143	-	-	91,323	91,323
Balance at 30 June 2013	**9,622**	**575**	**342,648**	**352,845**	**5,676**	**-**	**112,246**	**117,922**
Carrying amounts								
At 1 July 2011	**7,595**	**937**	**325,377**	**333,909**	**7,091**	**-**	**286,323**	**293,414**
At 30 June 2012	**6,788**	**450**	**325,687**	**332,925**	**6,140**	**-**	**91,323**	**97,463**
At 1 July 2012	**6,788**	**450**	**325,687**	**332,925**	**6,140**	**-**	**91,323**	**97,463**
At 30 June 2013	**6,273**	**442**	**-**	**6,715**	**5,688**	**-**	**-**	**5,688**

Sale of goodwill

During the period the Group sold goodwill of $4.8 million to the 4Seasons Feeds Limited JV as part of the transaction to move the molasses liquid feed business from Agri-feeds to the joint venture. The Agri-feeds goodwill was previously recorded within the AgriTech business segment and Cash Generating Unit.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. At the reporting date the Group conducted impairment testing for the Cash-Generating Units (CGUs) using the value in use (VIU) methodology. Historically, this testing has been conducted firstly at the CGU level excluding corporate assets and costs and then at the total Group level including corporate assets and costs. This approach is due to the inability to allocate corporate assets and costs to the CGU's on a reasonable and consistent basis. Additionally, each year impairment testing is also carried out using fair value less costs to sell for the Group. The highest result from these two tests was then compared against the carrying value of assets in order to determine any impairment.

Goodwill impairment testing was carried out at the reporting date using the same process as in prior years. The Board considered the inputs and assumptions that flow into the VIU including the latest forecast cash flows, working capital movements as well as the discount and terminal growth rates to be applied to expected future cash flows. The Board also conducted a review of the fair value less costs to sell in determining any impairment at the reporting date. When impairment testing the highest of the VIU and fair value less costs to sell must be used to compare against the carrying value.

In determining fair value less costs to sell the test was conducted at the Group level using the PGG Wrightson Limited share price as at 30 June 2013 of $0.29. The share price was used on the basis that no fair value amount could be determined at the respective CGU levels. The share price was then adjusted for a control premium less reasonable costs to sell. In determining the control premium the Group utilised the control premium applied in the Agria takeover transaction of April 2011; being the most recent controlling interest acquisition in PGG Wrightson Limited.

As a result of the above testing at the reporting date the Group adopted fair value less costs to sell to compare against the carrying amount of goodwill. This testing showed an impairment of all goodwill held by the Group using fair value less costs to sell. Accordingly, impairment losses of $321.1 million have been recorded in the Statement of Comprehensive Income.

Events and circumstances leading to impairment

In conducting prior years' impairment testing using VIU, the Board considered the Group's future cash flows. This consideration included:

- New export livestock contracts would replace expiring contracts.
- A recovery in the Australian market would occur following weather events in 2011 and 2012.
- A recovery in the real estate division as a result of overseas investment and general confidence in this sector.

However, in 2013, continued poor weather and trading conditions in the Australian market, completion of the largest export livestock contract with no equivalent replacement, and a lack of recovery in the real estate division have occurred. These conditions were reflected in the Group's operating results and cash flows particularly in the late autumn season. As a result the Group has reconsidered and re-evaluated growth and trend estimates in its future cash flow and VIU models.

In addition, the Group's 2013 discount rate, based on the Group's weighted average cost of capital, was reassessed at 8.9% as opposed to 8.6% for 2012. The VIU is sensitive to increases in the discount rate. The change in these key VIU assumptions resulted in the Group adopting fair value less costs to sell as this provided the higher recoverable amount. Based on the fair value less costs to sell methodology noted above all goodwill was impaired.

27 Property, Plant and Equipment

	Group Land $000	Group Buildings $000	Group Plant and equipment $000	Group Capital works project $000	Group Total $000	Company Land $000	Company Buildings $000	Company Plant and equipment $000	Company Capital works project $000	Company Total $000
Cost										
Balance at 1 July 2011	15,998	29,149	84,548	2,991	132,686	14,091	22,565	25,678	1,904	64,238
Additions	177	1,762	11,385	(1,621)	11,703	-	11	2,000	(646)	1,365
Disposals and transfers to other asset classes	(1,774)	(6,223)	(5,777)	-	(13,774)	(1,853)	(5,971)	(5,739)	-	(13,563)
Revalued on initial measurement	(532)	(2,386)	(1,819)	-	(4,737)	-	-	-	-	-
Effect of movements in exchange rates	(5)	22	1	(1)	17	-	-	-	-	-
Balance at 30 June 2012	**13,864**	**22,324**	**88,338**	**1,369**	**125,895**	**12,238**	**16,605**	**21,939**	**1,258**	**52,040**
Balance at 1 July 2012	13,864	22,324	88,338	1,369	125,895	12,238	16,605	21,939	1,258	52,040
Additions	-	122	5,501	1,086	6,709	-	12	2,291	1,083	3,386
Disposals and transfers to other asset classes	409	5,245	(3,921)	-	1,733	(123)	(1,140)	(247)	-	(1,510)
Effect of movements in exchange rates	(39)	(210)	(1,614)	(3)	(1,866)	-	-	-	-	-
Balance at 30 June 2013	**14,234**	**27,481**	**88,304**	**2,452**	**132,471**	**12,115**	**15,477**	**23,983**	**2,341**	**53,916**
Depreciation and impairment losses										
Balance at 1 July 2011	-	3,267	35,236	-	38,503	-	2,310	16,454	-	18,764
Depreciation for the year	-	568	7,371	-	7,939	-	333	2,189	-	2,522
Depreciation on discontinued operations	-	-	(35)	-	(35)	-	-	-	-	-
Depreciation recovered to COGS	-	-	(1,317)	-	(1,317)	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposals and transfers to other asset classes	-	115	(6,225)	-	(6,110)	-	(336)	(5,409)	-	(5,745)
Effect of movements in exchange rates	-	(302)	1,354	-	1,052	-	-	-	-	-
Balance at 30 June 2012	**-**	**3,648**	**36,384**	**-**	**40,032**	**-**	**2,307**	**13,234**	**-**	**15,541**
Balance at 1 July 2012	-	3,648	36,384	-	40,032	-	2,307	13,234	-	15,541
Depreciation for the year	-	586	6,906	-	7,492	-	330	2,010	-	2,340
Depreciation on discontinued operations	-	-	-	-	-	-	-	-	-	-
Depreciation recovered to COGS	-	-	(1,282)	-	(1,282)	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposals and transfers to other asset classes	-	(326)	(621)	-	(947)	-	(326)	(120)	-	(446)
Effect of movements in exchange rates	-	(34)	775	-	741	-	-	-	-	-
Balance at 30 June 2013	**-**	**3,874**	**42,162**	**-**	**46,036**	**-**	**2,311**	**15,124**	**-**	**17,435**
Carrying amounts										
At 1 July 2011	**15,998**	**25,882**	**49,312**	**2,991**	**94,183**	**14,091**	**20,255**	**9,224**	**1,904**	**45,474**
At 30 June 2012	**13,864**	**18,676**	**51,954**	**1,369**	**85,863**	**12,238**	**14,298**	**8,705**	**1,258**	**36,499**
At 1 July 2012	**13,864**	**18,676**	**51,954**	**1,369**	**85,863**	**12,238**	**14,298**	**8,705**	**1,258**	**36,499**
At 30 June 2013	**14,234**	**23,607**	**46,142**	**2,452**	**86,435**	**12,115**	**13,166**	**8,859**	**2,341**	**36,481**

Property, plant and equipment under construction

During the year ended 30 June 2013 the Group committed to property projects in Ashburton, Culverden and Rangiora for completion in the following year.

28 Trade and Other Payables

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Trade creditors	140,189	133,340	6,243	91,322
Loyalty reward programme	1,253	1,405	1,253	1,405
Deposits received in advance	463	6,457	-	6,225
Accruals and other liabilities	71,992	74,605	96,239	17,602
Employee entitlements	15,910	17,664	11,111	13,497
Amounts owing to subsidiaries	-	-	76,254	218
	229,807	**233,471**	**191,100**	**130,269**
Payable within 12 months	222,723	228,142	188,577	129,110
Payable beyond 12 months	7,084	5,329	2,523	1,159
	229,807	**233,471**	**191,100**	**130,269**

Payables denominated in currencies other than the functional currency comprise $17.5 million (2012: $61.1 million) of trade payables denominated in (NZD equivalent); USD $9.3 million (2012: $31.3 million), AUD $5.0 million (2012: $1.1 million), EUR $3.2 million (2012: $27.0 million) and GBP nil (2012: $1.7 million).

Provisions

Silver Fern Farms supply contract

In 2009 the Company entered into a supply contract with Silver Fern Farms Limited. The contract term expires in September 2019. The Company booked a provision in June 2011 which represented the anticipated excess of costs to be borne under the contract over anticipated returns. The Directors have reconsidered this provision as at 30 June 2013 in respect of the level of supply, current livestock market trends and the results of initiatives implemented to assist in achieving supply targets and consider that it is appropriate to hold a provision of approximately $1.1 million. This provision represents the Directors best estimate of the expected excess of costs over returns for the remaining term of the contract. See also contingent liabilities commentary in Note 36.

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Balance as at 1 July	1,339	9,555	1,339	9,555
Payment made under contract	-	(3,182)	-	(3,182)
Assessment of provision	(147)	(5,034)	(147)	(5,034)
Balance as at 30 June	**1,192**	**1,339**	**1,192**	**1,339**

Onerous lease

The Group exited a property on 30 June 2013 with a lease that expires in August 2018. This lease is considered onerous and a provision was booked in the amount of $1.8 million. This provision represents the Directors best estimate of the expected excess of costs over returns for the remaining term of the lease contract.

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Balance as at 1 July	-	-	-	-
Assessment of provision	1,764	-	-	-
Balance as at 30 June	**1,764**	**-**	**-**	**-**

Loyalty reward programme

The PGG Wrightson Loyalty Reward Programme is run in conjunction with the co-branded ASB Visa reward card. A provision is retained for the expected level of points redemption.

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Balance as at 1 July	1,405	1,318	1,405	1,318
Additional provision made	962	415	962	415
Amount utilised	(1,114)	(328)	(1,114)	(328)
Balance as at 30 June	**1,253**	**1,405**	**1,253**	**1,405**

29 Defined Benefit Asset / Liability

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Present value of funded obligations	(72,765)	(75,495)	(72,765)	(75,495)
Fair value of plan assets	51,946	49,231	51,946	49,231
Total defined benefit asset / (liability)	**(20,819)**	**(26,264)**	**(20,819)**	**(26,264)**

The Group makes contributions to two defined benefit plans that provide a range of superannuation and insurance benefits for employees and former employees. The two defined benefit plans are open by invitation, however the Group has not invited new members to the schemes since June 1995 and November 2000 respectively. The Group does not intend to invite new members to the scheme. The plan's retired employees are entitled to receive an annual pension payment payable on their life and in some cases on the life of a surviving spouse.

Group / Company	PGG Wrightson Employment Benefits Plan		Wrightson Retirement Plan	
Plan assets consist of:	2013	2012	2013	2012
Equities	65%	62%	67%	62%
Fixed interest	32%	36%	31%	36%
Cash	3%	2%	2%	2%
	100%	100%	100%	100%

Actuarial Assumptions:

Principal actuarial assumptions at the reporting date (expressed as weighted averages):	2013	2012
Discount rate used (10 year New Zealand Government Bond rate)	4.03%	3.41%
Expected return on plan assets	2.97%	6.00%
Future salary increases	3.00%	3.50%
Future pension increases	2.50%	2.50%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average remaining life expectancy of an individual retiring at age 65 is 19 years for males and 22 years for females. The overall expected long-term rate of return on assets is 2.97 percent. The expected long-term return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based on expected future returns of the different asset classes and the investment policies for the plans.

Historical information	2013 $000	2012 $000	2011 $000	2010 $000	2009 $000
Present value of the defined benefit obligation	72,765	75,495	69,145	66,040	61,863
Fair value of plan assets	(51,946)	(49,231)	(52,175)	(47,834)	(48,183)
Deficit / (surplus) in the plan	**20,819**	**26,264**	**16,970**	**18,206**	**13,680**

The Group expects to pay $2.928 million (2013: $3.808 million) in contributions to defined benefit plans in 2014. Member contributions are expected to be $1.149 million (2013: $1.150 million).

Movement in the liability for defined benefit obligations:	Note	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Liability for defined benefit obligations at 1 July		75,495	69,145	75,495	69,145
Benefits paid by the plan		(6,412)	(3,819)	(6,412)	(3,819)
Current service costs and interest		3,399	4,015	3,399	4,015
Member contributions		1,364	1,363	1,364	1,363
Actuarial (gains)/losses recognised in equity		(1,081)	4,791	(1,081)	4,791
Liability for defined benefit obligations at 30 June		72,765	75,495	72,765	75,495
Movement in plan assets:					
Fair value of plan assets at 1 July		49,231	52,175	49,231	52,175
Contributions paid into the plan		2,766	2,727	2,766	2,727
Benefits paid by the plan		(6,412)	(3,819)	(6,412)	(3,819)
Expected return on plan assets		1,164	3,097	1,164	3,097
Actuarial gains/(losses) recognised in equity		5,197	(4,949)	5,197	(4,949)
Fair value of plan assets at 30 June		51,946	49,231	51,946	49,231
Expense recognised in profit or loss:					
Current service costs		1,588	2,319	1,588	2,319
Interest on obligation		1,811	1,696	1,811	1,696
Expected return on plan assets		(1,164)	(3,097)	(1,164)	(3,097)
		2,235	**918**	**2,235**	**918**
Recognised in Non-Trading Items	9	833	(446)	833	(446)
Recognised in Employee Benefit Expense		1,402	1,364	1,402	1,364
		2,235	**918**	**2,235**	**918**
Actual return on plan assets		6,306	(1,371)	6,306	(1,371)
Gains and losses recognised in equity:					
Cumulative gains/(losses) at 1 July		(31,598)	(19,950)	(31,598)	(19,950)
Net profit and loss impact from current period costs		(2,235)	(918)	(2,235)	(918)
Recognised during the year		6,278	(10,730)	6,278	(10,730)
Cumulative gains/(losses) at 30 June		(27,555)	(31,598)	(27,555)	(31,598)

30 Capital and Reserves

	No. of shares 2013 000	No. of shares 2012 000	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
On issue at 1 July	754,849	754,849	606,324	640,174	606,324	640,174
Repayment of convertible redeemable notes	-	-	-	(33,850)	-	(33,850)
Share capital on issue at 30 June	**754,849**	**754,849**	**606,324**	**606,324**	**606,324**	**606,324**

All shares are ordinary fully paid shares with no par value, carry equal voting rights and share equally in any profit on the winding up of the Group.

Foreign currency translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Realised capital reserve
The realised capital reserve comprises the cumulative net capital gains that have been realised.

Revaluation reserve
The revaluation reserve relates to historic revaluations of property, plant and equipment.

Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet settled.

Defined benefit plan reserve
The defined benefit plan reserve contains actuarial gains and losses on plan assets and defined benefit obligations.

Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Retained earnings
Retained earnings equals accumulated undistributed profit.

Dividends
A dividend of 2.2 cents per share was paid on 28 March 2013 (2012: $Nil). The dividend was fully imputed.

31 Reconciliation of Profit After Tax With Net Cash Flow from Operating Activities

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Profit after taxation	(306,505)	24,453	(305,830)	13,503
Add/(deduct) non-cash / non operating items:				
Depreciation and amortisation expense	7,642	8,323	3,584	4,013
Impairment losses on goodwill	321,143	-	91,323	-
Fair value adjustments	5,151	2,560	1,931	1,782
Net (profit)/loss on sale of assets/investments	3,612	5,644	318	(18,679)
Bad debts written off (net)	1,119	2,210	160	2,141
(Increase)/decrease in deferred taxation	5,036	(6,455)	(464)	(1,454)
Equity accounted earnings from associates	(1,483)	(100)	-	-
Management fee from subsidiaries	-	-	212,228	-
Contractual obligations accrual	(147)	(5,034)	(147)	(5,034)
Discontinued operations	1,584	968	-	-
Financing costs	754	-	754	1,300
Other non-cash items	5,475	1,517	(5,580)	2,705
	43,381	34,086	(1,723)	277
Add/(deduct) movement in working capital items:				
Movement in working capital due to sale/purchase of businesses	(3,482)	(3,539)	76	-
(Increase)/decrease in inventories and biological assets	12,170	(4,426)	17,295	2,410
(Increase)/decrease in accounts receivable and prepayments	(10,715)	25,354	9,063	25,052
(Increase)/decrease in assets held for sale	-	-	-	-
Increase/(decrease) in trade creditors, provisions and accruals	(6,454)	4,415	(16,756)	(5,578)
Increase/(decrease) in income tax payable/receivable	1,091	(3,597)	(909)	(5,283)
Increase/(decrease) in other term liabilities	3,281	6,281	99	(97)
	(4,109)	24,488	8,868	16,504
Net cash flow from operating activities	**39,272**	**58,574**	**7,145**	**16,781**

32 Financial Instruments

The Group is committed to the management of risk to achieve sustainability of service, employment and profits, and therefore, takes on controlled amounts of risk when considered appropriate.

The primary risks are those of liquidity, market (foreign currency, price and interest rate), funding and credit risk.

The Board of Directors is responsible for the review and ratification of the Group's systems of risk management, internal compliance and control, code of conduct and legal compliance.

The Board maintains a formal set of delegated authorities (including policies for credit and treasury), that clearly define the responsibilities delegated to management and those retained by the Board. The Board approves these delegated authorities and reviews them annually.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in raising funds at short notice to meet commitments associated with financial instruments. The Group monitors its liquidity daily, weekly and monthly and maintains appropriate liquid assets and committed bank funding facilities to meet all obligations in a timely and cost efficient manner. Management of liquidity risk is designed to ensure that the Group has the ability to meet financial obligations as they fall due.

The objectives of the Group's funding and liquidity policy is to:

- ensure all financial obligations are met when due;
- provide adequate protection, even under crisis scenarios; and
- achieve competitive funding within the limitations of liquidity requirements.

The Group manages this risk by forecasting daily cash requirements, forecasting future funding requirements, maintaining an adequate liquidity buffer and ensuring long term lending is reasonably matched with long term funding.

Market Risk

Market risk is the potential for change in the value of balance sheet positions caused by a change in the value, volatility or relationship between market risks and prices. Market risk arises from the mismatch between assets and liabilities, both on and off balance sheet. Market risk includes funding, price, foreign currency and interest rate risk which are explained as follows:

Foreign Currency Risk

The Group undertakes transactions denominated in foreign currencies and exposure to movements in foreign currency arises from these activities. It is the Group's policy to hedge foreign currency risks as they arise. In some circumstances foreign exchange options are used to hedge potential foreign exchange risk. The Group uses forward, spot foreign exchange contracts and foreign exchange options to manage these exposures.

The notional contract amounts of forward foreign exchange transactions outstanding at balance date are $73.8 million (2012: $79.5 million) for the Group and $10.5 million (2012: $23.9 million) for the Company. The cash settlement requirements of these contracts approximates the notional contract amount shown above.

The translation of independent foreign operations into the Group financial statements is not hedged, apart from the seasonal working capital exposure to PGG Wrightson Seeds Australia which is hedged with foreign exchange contracts.

Price and Interest Rate Risk

Price risk is the risk that the value of financial instruments and the interest margin will fluctuate as a result of changes in market interest rates. The risk is that financial assets may be repriced at a different time and / or by a different amount than financial liabilities.

This risk is managed by operating within approved policy limits using an interest rate duration approach.

Floating rate borrowings are used for general funding activities. Interest rate swaps, interest rate options and forward rate agreements are used to hedge the floating rate exposure as deemed appropriate. The Group had $67.0 million (Company: $67.0 million) of interest rate contracts at balance date (2012: Group $123.0 million, Company $123.0 million).

Funding Risk

Funding risk is the risk of over-reliance on a funding source to the extent that a change in that funding source could increase overall funding costs or cause difficulty in raising funds. The Group has a policy of funding diversification. The funding policy augments the Group's liquidity policy with it's aim to ensure the Group has a stable diversified funding base without over-reliance on any one market sector.

Credit Risk

Credit risk is the potential for loss that could occur as a result of a counterparty failing to discharge its obligations. Management formally reports on all aspects of key risks to the Audit Committee at least two times each year. In addition, the following management committees review and manage key risks:

- The Senior Management Team meets regularly to consider new and emerging risks, reviews actions required to manage and mitigate key risks, and monitors progress.
- The Group has a Credit Committee, comprising of Board representation and management appointees, meets regularly as required to review credit risk, new loans and provisioning.

Capital Management

The capital of the Group consists of share capital, reserves, and retained earnings.

The policy of the Group is to maintain a strong capital base so as to maintain investor, creditor and market confidence while providing the ability to develop future business initiatives. In addition, external funding arrangements currently limit the Group's ability to pay dividends due to debt ratio requirements. This policy is reviewed regularly by the Board and has not been changed during the period.

Sensitivity Analysis

The Treasury policy of the Group effectively insulates earnings from the effect of short-term fluctuations in either foreign exchange or interest rates. Over the longer term however, permanent changes in foreign exchange or interest rates will have an impact on profit.

The sensitivity of net profit after tax for the period to 30 June 2013, and shareholders equity at that date, to reasonably possible changes in conditions is as follows:

	Interest rates increase by 1%		Interest rates decrease by 1%	
	2013 $000	2012 $000	2013 $000	2012 $000
Impact on net profit after tax	(201)	(967)	205	991
Members' equity	(201)	(967)	205	991

The stress test uses the existing balance sheet interest rate mismatch against the cumulative mismatch between repricing assets and liabilities out from one to five years. Other market risks such as pricing and foreign exchange are not considered likely to lead to material change over the next reporting period. For this reason sensitivity analysis of these market risks is not included.

<u>Quantitative disclosures</u>

(a) Liquidity Risk - Contractual Maturity Analysis

The following tables analyse the Group financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date (reported on an undiscounted basis). History demonstrates that such accounts provide a stable source of long term funding for the Group.

Group 2013	Within 12 months	1 to 2 years	2 to 5 years $000	Over 5 years $000	Contractual cash flow	Balance Sheet
Liabilities						
Bank overdraft	12,470	-	-	-	12,470	12,463
Bank facilities	35,835	64,038	-	-	99,873	97,239
Derivative financial instruments	2,451	623	-	-	3,074	3,074
Trade and other payables	229,344	-	-	-	229,344	229,344
	280,100	**64,661**	**-**	**-**	**344,761**	**342,120**
Group 2012						
Liabilities						
Bank facilities	38,539	119,564	-	-	158,103	141,209
Derivative financial instruments	1,460	294	-	-	1,754	1,754
Trade and other payables	227,014	-	-	-	227,014	227,014
	267,013	**119,858**	**-**	**-**	**386,871**	**369,977**
Company 2013						
Liabilities						
Bank overdraft	9,521	-	-	-	9,521	9,514
Bank facilities	-	64,038	-	-	64,038	62,000
Derivative financial instruments	429	-	-	-	429	429
Trade and other payables	191,100	-	-	-	191,100	191,100
	201,050	**64,038**	**-**	**-**	**265,088**	**263,043**
Company 2012						
Liabilities						
Bank overdraft	-	-	-	-	-	-
Bank facilities	8,830	119,564	-	-	128,394	111,500
Derivative financial instruments	960	109	-	-	1,069	1,069
Trade and other payables	124,044	-	-	-	124,044	124,044
	133,834	**119,673**	**-**	**-**	**253,507**	**236,613**

(b) Liquidity Risk - Expected Maturity Analysis

The expected cash flows of the Group's finance receivables equal their contractual cash flows.

(c) Foreign Currency Exposure Risk

The Group's exposure to foreign currency risk can be summarised as:

	GBP NZ$000	USD NZ$000	AUD NZ$000	Euro NZ$000
Group 2013				
Cash and cash equivalents	141	1,951	564	56
Trade and other receivables	650	30,765	79	27,291
Bank overdraft	-	-	(2,767)	-
Trade and other payables	-	(9,283)	(2,255)	(3,207)
Net balance sheet position	791	23,433	(4,379)	24,140
Forward exchange contracts				
Notional forward exchange cover	656	21,466	(5,022)	23,445
Net unhedged position	**135**	**1,967**	**643**	**695**
Group 2012				
Cash and cash equivalents	12	75	3,642	202
Trade and other receivables	189	13,692	1,220	3,556
Trade and other payables	(1,707)	(31,297)	(1,139)	(26,966)
Net balance sheet position	(1,506)	(17,530)	3,723	(23,208)
Forward exchange contracts				
Notional forward exchange cover	(1,524)	(17,599)	76	(23,421)
Net unhedged position	**18**	**69**	**3,647**	**213**
Company 2013				
Cash and cash equivalents	-	28	-	-
Trade and other receivables	-	4,161	-	-
Trade and other payables	-	(5,463)	(794)	(86)
Net balance sheet position	-	(1,274)	(794)	(86)
Forward exchange contracts				
Notional forward exchange cover	-	(1,323)	(794)	(86)
Net unhedged position	**-**	**49**	**-**	**-**
Company 2012				
Cash and cash equivalents	-	39	1	-
Trade and other receivables	189	10,680	615	114
Trade and other payables	-	(12,373)	-	-
Net balance sheet position	189	(1,654)	616	114
Forward exchange contracts				
Notional forward exchange cover	189	(1,728)	615	114
Net unhedged position	**-**	**74**	**1**	**-**

The net balance sheet positions for the Group in AUD and USD include cash, trade and other receivables, and trade and other payables for the Australian and South American domiciled subsidiary companies and are therefore not hedged.

(d) Interest Rate Repricing Schedule

The following tables include the Group's assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 12 months $000	1 to 2 years $000	Over 2 years $000	Non interest bearing $000	Total $000
Group 2013					
Liabilities					
Bank overdraft	12,463	-	-	-	12,463
Bank facilities	97,239	-	-	-	97,239
Derivative financial instruments	-	-	-	3,074	3,074
Trade and other payables	-	-	-	229,344	229,344
	109,702	**-**	**-**	**232,418**	**342,120**
Group 2012					
Liabilities					
Bank facilities	141,209	-	-	-	141,209
Derivative financial instruments	123,000	(123,000)	-	1,754	1,754
Trade and other payables	-	-	-	227,014	227,014
	264,209	**(123,000)**	**-**	**228,768**	**369,977**
Company 2013					
Liabilities					
Bank overdraft	9,514	-	-	-	9,514
Bank facilities	62,000	-	-	-	62,000
Derivative financial instruments			-	429	429
Trade and other payables	-	-	-	191,100	191,100
	71,514	**-**	**-**	**191,529**	**263,043**
Company 2012					
Liabilities					
Bank overdraft	-	-	-	-	-
Bank facilities	111,500	-	-	-	111,500
Derivative financial instruments	123,000	(123,000)	-	1,069	1,069
Trade and other payables	-	-	-	124,044	124,044
	234,500	**(123,000)**	**-**	**125,113**	**236,613**

(e) Accounting classifications and fair values

The tables below set out the Group's classification of each class of financial assets and liabilities, and their fair values.

Group 2013	Fair value $000	Other amortised cost $000	Total carrying amount $000	Fair value $000
Assets				
Cash and cash equivalents	-	5,845	5,845	5,845
Derivative financial instruments	665	-	665	665
Trade and other receivables	-	199,013	199,013	199,013
Other investments	21,054	2,941	23,995	23,995
Finance receivables	-	11,477	11,477	11,477
	21,719	**219,276**	**240,995**	**240,995**
Liabilities				
Bank overdraft	-	12,463	12,463	12,463
Derivative financial instruments	3,074	-	3,074	3,074
Trade and other payables	-	229,344	229,344	229,344
Bank facilities	-	97,239	97,239	97,239
	3,074	**339,046**	**342,120**	**342,120**
Group 2012				
Assets				
Cash and cash equivalents	-	15,911	15,911	15,911
Derivative financial instruments	3,450	-	3,450	3,450
Trade and other receivables	-	187,426	187,426	187,426
Other investments	15,827	5,456	21,283	21,283
Finance receivables	-	29,248	29,248	29,248
	19,277	**238,041**	**257,318**	**257,318**
Liabilities				
Derivative financial instruments	1,754	-	1,754	1,754
Trade and other payables	-	227,014	227,014	227,014
Bank facilities	-	141,209	141,209	141,209
	1,754	**368,223**	**369,977**	**369,977**

Company 2013	Fair value $000	Other amortised cost $000	Total carrying amount $000	Fair value $000
Assets				
Cash and cash equivalents	-	326	326	326
Derivative financial instruments	279	-	279	279
Trade and other receivables	-	185,306	185,306	185,306
Other investments	11,067	492	11,559	11,559
	11,346	**186,124**	**197,470**	**197,470**
Liabilities				
Bank overdraft	-	9,514	9,514	9,514
Derivative financial instruments	429	-	429	429
Trade and other payables	-	191,100	191,100	191,100
Bank facilities	-	62,000	62,000	62,000
	429	**262,614**	**263,043**	**263,043**
Company 2012				
Assets				
Cash and cash equivalents	-	6,319	6,319	6,319
Derivative financial instruments	972	-	972	972
Trade and other receivables	-	367,162	367,162	367,162
Other investments	7,067	511	7,578	7,578
	8,039	**373,992**	**382,031**	**382,031**
Liabilities				
Bank overdraft	-	-	-	-
Derivative financial instruments	1,069	-	1,069	1,069
Trade and other payables	-	124,044	124,044	124,044
Bank facilities	-	111,500	111,500	111,500
	1,069	**235,544**	**236,613**	**236,613**

The Group's banking facilities are based on floating interest rates. Therefore the fair value of the banking facilities equals the carrying value.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no material movements between the fair value hierarchy during the year ended 30 June 2013.

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Group 2013				
Assets				
Derivative financial instruments	-	665	-	665
Other investments	11,067	-	9,987	21,054
	11,067	**665**	**9,987**	**21,719**
Liabilities				
Derivative financial instruments	-	3,074	-	3,074
	-	**3,074**	**-**	**3,074**
Group 2012				
Assets				
Derivative financial instruments	-	3,450	-	3,450
Other investments	7,067	-	8,760	15,827
	7,067	**3,450**	**8,760**	**19,277**
Liabilities				
Derivative financial instruments	-	1,754	-	1,754
	-	**1,754**	**-**	**1,754**
Company 2013				
Assets				
Derivative financial instruments	-	279	-	279
Other investments	11,067	-	-	11,067
	11,067	**279**	**-**	**11,346**
Liabilities				
Derivative financial instruments	-	429	-	429
	-	**429**	**-**	**429**
Company 2012				
Assets				
Derivative financial instruments	-	972	-	972
Other investments	7,067	-	-	7,067
	7,067	**972**	**-**	**8,039**
Liabilities				
Derivative financial instruments	-	1,069	-	1,069
	-	**1,069**	**-**	**1,069**

Interest rates used for determining fair value	2013	2012
Finance receivables	14.4%	13.6%

(f) Credit Risk

The carrying amount of financial assets represents the Group's maximum credit exposure. The Group's maximum credit exposure to credit risk for receivables by geographic regions is as follows:

Total finance receivables, trade and other receivables	Group 2013 $000	Group 2012 $000
New Zealand	155,376	165,467
Australia	16,395	22,019
South America	54,282	48,826
	226,053	236,312

Concentrations of Credit Risk

Financial instruments which potentially subject the Group to concentrations of credit risk principally consist of bank balances, advances, trade debtors, and interest rate forward agreements. The Group places its cash and short term investments with three major trading banks. Concentrations of credit risk with respect to advances are limited due to the large number of customers included in the Group's farming customer base in New Zealand.

33 Operating Leases

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Non-cancellable operating lease rentals are payable as follows:				
Within one year	24,821	18,793	19,272	14,789
Between one and five years	55,445	42,241	41,639	32,162
Beyond five years	21,260	22,186	14,428	17,238
	101,526	83,220	75,339	64,189

The Group leases a fleet of vehicles for use by employees, agents and representatives. Leases are typically for a period of three years.

The Group leases office and computer equipment. Leases are typically for a period of three years.

The Group also leases and subleases land and buildings from which it conducts operations. These leases range in length from 1 to 13 years with various rights of renewal. Where surplus properties are unable to be exited, sublease revenue is obtained where possible on a short-term temporary basis. During the year ended 30 June 2013 sublease revenue totalling $1.437 million (2012: $1.110 million) was received.

34 Seasonality of Operations

The Group is subject to significant seasonal fluctuations. In particular, Livestock and Seeds activity are significantly weighted to the second half of the financial year. Seeds revenues reflects the fact the Group operates in geographical zones that suit Autumn harvesting and sowing. New Zealand generally has spring calving and lambing and so Livestock trading is weighted towards the second half of the financial year in order for farmers to maximize their incomes. Other business units have similar but less material cycles. The Group recognises this is the nature of the industry and plans and manages its business accordingly.

35 Commitments

	Group 2013 $000	Group 2012 $000
There are commitments with respect to:		
Capital expenditure not provided for	983	1,378
Investment in BioPacific Ventures	704	976
Contributions to Primary Growth Partnership	3,642	-
Purchase of land - Corson Grain	1,800	1,800
	7,129	4,154

Investment in BioPacific Ventures

The Group has committed $14.0 million to an international fund established for investment in food and agriculture life sciences. The Group's investment in BioPacific Ventures will be made over approximately six years. The investment has an anticipated total lifespan of 12 years. At 30 June 2013 $13.296 million has been drawn on the committed level of investment (2012: $13.024 million), which is included in other investments.

Primary Growth Partnership - Seed and nutritional technology development

The Group announced on 18 February 2013 that it had completed the contracting process for the Primary Growth Partnership (PGP) programme with the Ministry of Primary Industries. The PGP programme is a Seed and Nutritional Technology Development Programme that aims to deliver innovative forages for New Zealand farms. As a result of entering into the partnership the Group is committed to contributions to the partnership of $3.95 million over the six year life of the programme which ends on 31 December 2018. As at 30 June 2013 total contributions of $0.3 million have been made to the programme.

Corson Grain

The Group has committed to buy land as part of its purchase of the Corson Grain business. The property is to be purchased for $1.8 million in November 2013.

There are no material commitments relating to investment in associates.

36 Contingent Liabilities

	Group 2013 $000	Group 2012 $000
There are contingent liabilities with respect to:		
Guarantees	16,840	44,273
PGG Wrightson Loyalty Reward Programme	313	122
	17,153	44,395

Guarantees

Included in the contingent liabilities is a guarantee in respect of certain loans acquired by Heartland Building Society as part of the PGG Wrightson Finance Limited sale transaction on 31 August 2011. The value of the guaranteed loans as at 30 June 2013 was approximately $4.7 million (2012: $29 million). The guarantee is contingent upon individual loans becoming impaired and put back to the Group during the three year guarantee period. Remaining guarantees are provided to banks of subsidiary companies for borrowings and to various other third parties.

PGG Wrightson Loyalty Reward Programme

The PGG Wrightson Loyalty Reward Programme is run in conjunction with the co-branded ASB Visa reward card. A provision is retained for the expected level of points redemption. The contingent liability represents the balance of live points that are not provided for.

Silver Fern Farms Supply Contract

In June 2011 a provision was booked in respect of the Silver Fern Farms supply contract. This provision was determined by the Directors to be the anticipated excess of costs to be borne under the contract over anticipated returns from the contract. Beyond the provision estimated in Note 28, the Directors consider that an additional liability is not probable based on the results of initiatives implemented to meet the supply targets.

No losses are expected to arise from these contingent liabilities. There are no contingent liabilities relating to investments in associates.

37 Related Parties

Company and ultimate controlling party

The immediate parent of the Group is Agria (Singapore) Pte Ltd and the ultimate controlling party of the Group is Agria Corporation.

Transactions with key management personnel

Key Management Personnel compensation

Key management personnel compensation comprised:	Group 2013 $000	Group 2012 $000
Short-term employee benefits	4,824	5,234
Post-employment benefits	58	31
Termination benefits	-	704
Other long-term benefits	-	-
Share-based payments	-	-
	4,882	5,969

Directors fees incurred during the year are disclosed in Note 7 *Operating Expenses*, and in the Statutory Information.

Other Transactions with Key Management Personnel

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

The aggregate value of transactions and outstanding balances relating to Directors, senior executives and entities over which they have control or significant influence were as follows:

KMP/Director	Transaction	Transaction Value 2013 $000	Balance Outstanding 2013 $000	Transaction Value 2012 $000	Balance Outstanding 2012 $000
Bill Thomas (retired 24 October 2012)	Purchase of retail goods	24	7	659	46
John McKenzie	Purchase of retail goods, sale of seed under production contracts and livestock transactions	1,587	17	2,564	34
Sir Selwyn Cushing (retired 24 October 2012)	Purchase of retail goods	-	-	1	-
Nigel Thorpe	Purchase of retail goods and livestock transactions	18	-	83	1
Stephen Guerin	Purchase of retail goods	7	-	1	-
George Gould (retired 28 June 2013)	Purchase of retail goods	419	16	117	1
Trevor Burt (appointed 11 December 2012)	Purchase of retail goods and livestock transactions	25	-	-	-

From time to time Directors and senior executives of the Group, or their related entities, may use the PGG Wrightson American Express credit card facility and/or 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 minor or domestic in nature.

Management fees from Subsidiaries

During the financial year, the Company paid/(received) management fees with respect to the subsidiaries below. These management fees were eliminated on consolidation.

	2013 $000	2012 $000
Agriculture New Zealand Limited	(1,000)	-
Agri-feeds Limited	(11,000)	-
PGW AgriTech Holdings Limited	207,728	-
PGG Wrightson Seeds Limited	(10,000)	-
PGW Rural Capital Limited	3,000	(7,000)
PGG Wrightson Wool Limited	8,000	-
PGG Wrightson Real Estate Limited	3,500	-
Agriservices South America Limited	12,000	-
	212,228	(7,000)

Subsidiary intercompany trading

A number of members of the Group transacted with other members of the Group in the reporting period. Balances on hand at balance date are disclosed in trade and other receivables, and trade and other payables. All intercompany transactions are eliminated on consolidation.

38 Events Subsequent to Balance Date

Final Dividend

On 12 August 2013 the Directors of PGG Wrightson Limited resolved to pay a final dividend of 1.0 cent per share on 13 September 2013 to shareholders on the Company's share register as at 30 August 2013. This dividend will be fully imputed.

Independent auditor's report

To the shareholders of PGG Wrightson Limited

Report on the company and group financial statements

We have audited the accompanying financial statements of PGG Wrightson Limited ("the company") and the group, comprising the company and its subsidiaries, on pages 1 to 33. The financial statements comprise the statements of financial position as at 30 June 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, for both the company and the group.

Directors' responsibility for the company and group financial statements

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

Auditor's responsibility

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

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

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

Our firm has also provided other services to the company in relation to general accounting services. Partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as auditor of the company. The firm has no other relationship with, or interest in, the company.

Opinion

In our opinion the financial statements on pages 1 to 33:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the company and the group as at 30 June 2013 and of the financial performance and cash flows of the company and the group for the year then ended.

Report on other legal and regulatory requirements

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

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

KPMG.

12 August 2013
Christchurch