Statement of Comprehensive Income

For the year ended 30 June

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Continuing operations					
Operating revenue	4,5	1,336,813	1,247,247	763,990	740,095
Cost of sales		(1,038,146)	(967,210)	(611,423)	(595,273)
Gross profit		298,667	280,037	152,567	144,822
Other income	6	1,550	973	647	6,063
Employee benefits expense		(137,046)	(125,882)	(84,332)	(80,088)
Research and development		(5,786)	(4,861)	(2)	(1)
Other operating expenses	7	(102,224)	(100,837)	(53,628)	(58,362)
		(243,506)	(230,607)	(137,315)	(132,388)
Operating EBITDA		**55,161**	**49,430**	**15,252**	**12,434**
Equity accounted earnings of associates	8	101	789	-	-
Non operating items	9	(1,941)	(22,029)	16,593	18,838
Fair value adjustments	10	(2,560)	(25,764)	(1,782)	(15,133)
EBITDA		**50,761**	**2,426**	**30,063**	**16,139**
Depreciation and amortisation expense		(8,323)	(10,124)	(4,013)	(6,338)
Results from continuing operating activities		**42,438**	**(7,698)**	**26,050**	**9,801**
Net interest and finance costs	11	(13,835)	(28,087)	(12,933)	(25,174)
Profit/(loss) from continuing operations before income taxes		28,603	(35,785)	13,117	(15,373)
Income tax (expense)/income	12	(3,341)	585	386	(3,095)
Profit/(loss) from continuing operations		25,262	(35,200)	13,503	(18,468)
Discontinued operations					
Profit/(loss) from discontinued operations (net of income taxes)	13	(809)	4,533	-	-
Profit/(loss) for the year		**24,453**	**(30,667)**	**13,503**	**(18,468)**
Other comprehensive income/(loss)					
Foreign currency translation differences for foreign operations		160	2,678	-	-
Effective portion of changes in fair value of cash flow hedges		(168)	(513)	-	-
Changes in fair value of equity instruments		(1,550)	-	(667)	-
Fixed asset revaluation on initial measurement		(4,738)	-	-	-
Defined benefit plan actuarial gains / (losses)		(10,730)	648	(10,730)	648
Deferred tax on movement of actuarial gains / (losses) on employee benefit plans		2,727	(194)	2,727	(194)
Other comprehensive income/(loss) for the period, net of income tax		(14,299)	2,619	(8,670)	454
Total comprehensive income/(loss) for the period		**10,154**	**(28,048)**	**4,833**	**(18,014)**
Profit/(loss) attributable to:					
Shareholders of the Company		23,486	(31,648)	13,503	(18,468)
Non-controlling interest		967	981	-	-
Profit/(loss) for the year		**24,453**	**(30,667)**	**13,503**	**(18,468)**
Total comprehensive income/(loss) attributable to:					
Shareholders of the Company		9,056	(28,996)	4,833	(18,014)
Non-controlling interest		1,098	948	-	-
Total comprehensive income/(loss) for the year		**10,154**	**(28,048)**	**4,833**	**(18,014)**
Earnings/(loss)per share					
Basic earnings per share (New Zealand Dollars)	14	0.03	(0.04)		
Continuing operations					
Basic earnings per share (New Zealand Dollars)	14	0.03	(0.05)		

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

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 2010	640,174	(1,243)	27,977	790	2,277	(12,664)	(375)	(23,216)	1,750	635,470
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	-	(31,648)	981	(30,667)
Other comprehensive income										
Reclassification of retained earnings	-	-	1,550	-	(993)	-	375	(932)	-	-
Foreign currency translation differences	-	(1,566)	894	(145)	-	-	-	3,528	(33)	2,678
Effective portion of changes in fair value of financial instruments, net of tax	-	-	-	-	(513)	-	-	-	-	(513)
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	-	454	-	-	-	454
Total other comprehensive income	-	(1,566)	2,444	(145)	(1,506)	454	375	2,596	(33)	2,619
Total comprehensive income for the period	-	(1,566)	2,444	(145)	(1,506)	454	375	(29,052)	948	(28,048)
Transactions with shareholders, recorded directly in equity										
Interest on convertible redeemable notes	-	-	-	-	-	-	-	(2,762)	-	(2,762)
Dividends to shareholders	-	-	-	-	-	-	-	-	(319)	(319)
Total contributions by and distributions to shareholders	-	-	-	-	-	-	-	(2,762)	(319)	(3,081)
Balance at 30 June 2011	**640,174**	**(2,809)**	**30,421**	**645**	**771**	**(12,210)**	**-**	**(55,030)**	**2,379**	**604,341**
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										
Contributions by and distributions to shareholders										
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**

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

COMPANY	Share capital $000	Realised capital and other reserves $000	Hedging reserve $000	Defined benefit plan reserve $000	Fair value reserve $000	Retained earnings $000	Total equity $000
Balance at 1 July 2010	640,174	24,542	993	(12,664)	(375)	(31,176)	621,494
Total comprehensive income for the period							
Profit or loss	-	-	-	-	-	(18,468)	(18,468)
Other comprehensive income							
Reclassification to retained earnings	-	-	(993)	-	375	618	-
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	454	-	-	454
Total other comprehensive income	-	-	(993)	454	375	618	454
Total comprehensive income for the period	-	-	(993)	454	375	(17,850)	(18,014)
Transactions with shareholders, recorded directly in equity							
Interest on convertible redeemable notes	-	-	-	-	-	(2,761)	(2,761)
Total contributions by and distributions to shareholders	-	-	-	-	-	(2,761)	(2,761)
Balance at 30 June 2011	**640,174**	**24,542**	**-**	**(12,210)**	**-**	**(51,787)**	**600,719**
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**

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

PGG Wrightson Limited
Statement of Financial Position
As at 30 June

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
ASSETS					
Current					
Cash and cash equivalents	15	15,911	216	6,319	-
Short-term derivative assets	16	2,951	5,357	972	2,982
Trade and other receivables	17	207,106	230,055	379,330	360,784
Finance receivables	18	29,248	-	-	-
Income tax receivable		4,148	551	4,838	-
Assets classified as held for sale	19	5,551	509,350	5,551	560
Biological assets	20	20,651	25,367	20,651	25,367
Inventories	21	239,402	230,260	50,539	48,233
Total current assets		524,968	1,001,156	468,200	437,926
Non-current					
Long-term derivative assets	16	499	746	-	95
Biological assets	20	207	198	207	198
Deferred tax asset	22	14,458	8,003	3,420	1,966
Investment in subsidiaries	23	-	-	225,257	119,502
Investments in equity accounted investees	24	269	168	30	126
Other investments	25	21,283	10,663	7,578	519
Intangible assets	26	332,925	333,909	97,463	293,414
Property, plant and equipment	27	85,863	94,183	36,499	45,474
Total non-current assets		455,504	447,870	370,454	461,294
Total assets		980,472	1,449,026	838,654	899,220
LIABILITIES					
Current					
Bank overdraft	15	-	-	-	2,564
Debt due within one year	15	29,709	52,194	-	11,000
Short-term derivative liabilities	16	1,460	2,674	960	2,088
Accounts payable and accruals	28	228,142	222,513	129,110	133,561
Income tax payable		-	-	-	445
Liabilities classified as held for sale	19	-	417,198	-	-
Total current liabilities		259,311	694,579	130,070	149,658
Non-current					
Long-term debt	15	111,500	124,500	111,500	124,500
Long-term derivative liabilities	16	294	821	109	770
Other long-term provisions	28	5,329	7,815	1,159	6,603
Defined benefit liability	29	26,264	16,970	26,264	16,970
Total non-current liabilities		143,387	150,106	139,032	148,843
Total liabilities		402,698	844,685	269,102	298,501
EQUITY					
Share capital	30	606,324	640,174	606,324	640,174
Reserves	30	3,033	16,818	3,663	12,333
Retained earnings	30	(34,340)	(55,030)	(40,435)	(51,788)
Total equity attributable to shareholders of the Company		575,017	601,962	569,552	600,719
Non-controlling interest		2,757	2,379	-	-
Total equity		577,774	604,341	569,552	600,719
Total liabilities and equity		980,472	1,449,026	838,654	899,220

These consolidated financial statements have been authorised for issue on 21 August 2012.

Sir John Anderson
Chairman

George Gould
Managing 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

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Cash flows from operating activities					
Cash was provided from:					
Receipts from customers		1,388,811	1,278,524	780,088	723,963
Dividends received		440	3,628	14	3,371
Interest received		21,230	61,240	4,624	5,822
		1,410,481	1,343,392	784,726	733,156
Cash was applied to:					
Payments to suppliers and employees		(1,320,322)	(1,282,016)	(754,286)	(728,952)
Interest paid		(25,996)	(47,564)	(10,035)	(16,972)
Income tax received / (paid)		(5,590)	(8,894)	(3,623)	(6,160)
		(1,351,908)	(1,338,474)	(767,945)	(752,084)
Net cash flow from operating activities	31	**58,574**	**4,918**	**16,781**	**(18,928)**
Cash flows from investing activities					
Cash was provided from:					
Proceeds from sale of property, plant and equipment		538	440	535	1,655
Net decrease in finance receivables		35,069	83,252	-	-
Proceeds from sale of investments		32,532	56,179	98,172	6,784
		68,139	139,871	98,707	8,439
Cash was applied to:					
Purchase of property, plant and equipment		(11,703)	(4,270)	(1,364)	(1,491)
Purchase of intangibles (software)		(1,065)	(896)	(539)	(88)
Cash paid for purchase of investments		(87,832)	(11,718)	(83,131)	(4,748)
		(100,600)	(16,884)	(85,035)	(6,327)
Net cash flow from investing activities		(32,461)	122,987	13,672	2,112
Cash flows from financing activities					
Cash was provided from:					
Increase in external borrowings		11,500	11,000	11,500	11,000
Repayment of loans by related parties		-	145	39,729	53,758
Increase in secured debentures		-	16,892	-	-
		11,500	28,037	51,229	64,758
Cash was applied to:					
Dividends paid to minority interests		(721)	(319)	-	-
Interest paid on convertible redeemable notes		(2,150)	(2,762)	(2,150)	(2,762)
Repayment of Convertible Redeemable Notes		(33,850)	(7,458)	(33,850)	-
Repayment of Secured Debentures		(5,124)	-	-	-
Net decrease in clients' deposit and current accounts		(3,600)	(15,826)	-	-
Finance facility fees		(1,499)	(2,557)	(1,300)	(1,463)
Repayment of loans to related parties		(93)	-	-	-
Repayment of external borrowings		(46,498)	(79,433)	(35,500)	(53,355)
		(93,535)	(108,355)	(72,800)	(57,580)
Net cash flow from financing activities		(82,035)	(80,318)	(21,571)	7,178
Net (decrease)/increase in cash held		(55,922)	47,587	8,883	(9,638)
Opening cash/(bank overdraft)		71,833	24,246	(2,564)	7,074
Cash and cash equivalents		15,911	71,833	6,319	(2,564)
Comprises:					
PGG Wrightson Finance Limited	13	-	71,617	-	-
Rest of the Group	15	15,911	216	6,319	(2,564)
		15,911	71,833	6,319	(2,564)

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 2012 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.

Certain comparative amounts in the statement of comprehensive income have been reclassified to conform with the current year's presentation. In addition, the statement of comprehensive income has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative periods (see Note 13).

These statements were approved by the Board of Directors on 21 August 2012.

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
33	Classification and valuation of financial assets and instruments
34	Lease classification

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
18	Carrying value of finance receivables
19	Carrying value of assets held for sale
20	Valuation of Biological Assets
21	Valuation of seeds inventory
26	Goodwill impairment assessment and measurement of cash generating unit recoverable amounts
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) 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.

(c) 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.

(d) 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 has early adopted NZ IFRS 9 (2009) *Financial Instruments* with the date of initial application of 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. These changes in accounting policy are applied from 1 January 2012 without restatement to prior periods.

Policy applicable from 1 January 2012

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 2011 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(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) 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 Receivables

Loans and 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.
Accounts receivables and 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
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.

(l) 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.

(m) Share-based Payment Transactions
The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(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 2012 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 also 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 extent of the impact has not yet been determined.
- 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 the extent of the impact has not yet been determined.
- IFRS 12 *Disclosure of Interests in Other Entities* This standard replaces existing requirements for disclosure of subsidiaries and joint ventures (now 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.
- 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 division'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 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, Irrigation and Pumping, Wool, 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 (purchasing, manufacturing and distributing liquid animal feeds and other animal nutritional products) and South American activities including the sale of rural inputs.

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 (PGG Wrightson Finance Limited and 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	
	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000
Total segment revenue	593,809	568,600	133,235	139,581	170,223	112,696	897,267	820,877	486,464	479,410	1,383,731	1,300,287	4,498	6,652	1,388,229	1,306,939
Intersegment revenue	-	-	-	-	-	-	-	-	(51,416)	(59,692)	(51,416)	(59,692)	-	-	(51,416)	(59,692)
Total external operating revenues	593,809	568,600	133,235	139,581	170,223	112,696	897,267	820,877	435,048	419,718	1,332,315	1,240,595	4,498	6,652	1,336,813	1,247,247
Operating EBITDA	21,750	18,698	18,031	16,386	6,253	(2,309)	46,034	32,775	30,095	38,201	76,129	70,976	(20,968)	(21,546)	55,161	49,430
Depreciation and amortisation	(1,149)	(3,323)	(330)	(439)	(814)	(574)	(2,293)	(4,336)	(3,603)	(3,357)	(5,896)	(7,693)	(2,427)	(2,431)	(8,323)	(10,124)
Results from operating activities	**20,601**	**15,375**	**17,701**	**15,947**	**5,439**	**(2,883)**	**43,741**	**28,439**	**26,492**	**34,844**	**70,233**	**63,283**	**(23,395)**	**(23,977)**	**46,838**	**39,306**
Equity earnings of associates	-	-	-	(213)	-	56	-	(157)	121	8	121	(149)	(20)	938	101	789
Non operating items	(7)	(2,733)	4,823	(12,443)	(536)	(502)	4,280	(15,678)	(1,327)	(1,884)	2,953	(17,562)	(4,894)	(4,467)	(1,941)	(22,029)
Fair value adjustments	171	(169)	(2,629)	2,507	210	(17,853)	(2,248)	(15,515)	(616)	(297)	(2,864)	(15,812)	304	(9,952)	(2,560)	(25,764)
Profit before interest	**20,765**	**12,473**	**19,895**	**5,798**	**5,113**	**(21,182)**	**45,773**	**(2,911)**	**24,670**	**32,671**	**70,443**	**29,760**	**(28,005)**	**(37,458)**	**42,438**	**(7,698)**
Net interest and finance costs	(5)	(55)	450	91	(607)	1,456	(162)	1,492	(294)	(3,120)	(456)	(1,628)	(13,379)	(26,459)	(13,835)	(28,087)
Profit before income tax	**20,760**	**12,418**	**20,345**	**5,889**	**4,506**	**(19,726)**	**45,611**	**(1,419)**	**24,376**	**29,551**	**69,987**	**28,132**	**(41,384)**	**(63,918)**	**28,603**	**(35,785)**
Income tax expense	(5,648)	(6,094)	(3,733)	(5,107)	(3,090)	909	(12,471)	(10,292)	(2,047)	(2,410)	(14,518)	(12,702)	11,177	13,287	(3,341)	585
Profit from continuing operations	**15,112**	**6,324**	**16,612**	**782**	**1,416**	**(18,817)**	**33,140**	**(11,711)**	**22,329**	**27,141**	**55,469**	**15,430**	**(30,207)**	**(50,631)**	**25,262**	**(35,200)**
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	(809)	4,533	(809)	4,533
Profit for the year	**15,112**	**6,324**	**16,612**	**782**	**1,416**	**(18,817)**	**33,140**	**(11,711)**	**22,329**	**27,141**	**55,469**	**15,430**	**(31,016)**	**(46,098)**	**24,453**	**(30,667)**
Segment assets	103,218	100,729	161,481	176,253	73,794	67,814	338,493	344,796	526,496	505,503	864,989	850,299	109,663	89,209	974,652	939,508
Equity accounted investees	-	-	30	67	-	4	30	71	141	20	171	91	98	77	269	168
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	5,551	509,350	5,551	509,350
Total segment assets	103,218	100,729	161,511	176,320	73,794	67,818	338,523	344,867	526,637	505,523	865,160	850,390	115,312	598,636	980,472	1,449,026
Segment liabilities	(46,900)	(45,445)	(60,046)	(78,254)	(29,194)	(48,625)	(136,140)	(172,324)	(199,149)	(224,116)	(335,289)	(396,440)	(67,409)	(448,245)	(402,698)	(844,685)
Capital expenditure (incl software)	865	159	1,243	359	558	530	2,666	1,048	10,503	2,621	13,169	3,669	(402)	2,587	12,767	6,256

* Historically the Group has provided information in addition to the segment reporting to further split elements of some segments. The additional analysis on key aspects of some of these historical 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 transition to new segment reporting:

(i) Retail

	Rural Supplies 2012 $000	Rural Supplies 2011 $000	Fruitfed 2012 $000	Fruitfed 2011 $000	Other 2012 $000	Other 2011 $000	RETAIL 2012 $000	RETAIL 2011 $000
Total segment revenue	467,516	444,035	125,152	122,297	1,141	2,268	593,809	568,600
Intersegment revenue	-	-	-	-	-	-	-	-
Total external operating revenues	467,516	444,035	125,152	122,297	1,141	2,268	593,809	568,600
Operating EBITDA	22,250	18,201	5,710	7,021	(6,210)	(6,524)	21,750	18,698

(ii) Other AgriServices

	Insurance 2012 $000	Insurance 2011 $000	Real Estate 2012 $000	Real Estate 2011 $000	Irrigation & Pumping 2012 $000	Irrigation & Pumping 2011 $000	AgNZ 2012 $000	AgNZ 2011 $000	Wool 2012 $000	Wool 2011 $000	South America 2012 $000	South America 2011 $000	Regional Overhead 2012 $000	Regional Overhead 2011 $000	Finance Commission 2012 $000	Finance Commission 2011 $000	Other AgriServices 2012 $000	Other AgriServices 2011 $000
Total segment revenue	3,084	3,460	25,950	17,477	29,828	23,597	5,063	4,717	87,023	40,951	18,686	22,517	(2)	(23)	591	-	170,223	112,696
Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total external operating revenues	3,084	3,460	25,950	17,477	29,828	23,597	5,063	4,717	87,023	40,951	18,686	22,517	(2)	(23)	591	-	170,223	112,696
Operating EBITDA	2,642	2,963	2,012	(846)	2,439	2,070	1,792	1,481	3,320	(917)	3,116	3,064	(9,290)	(10,123)	222	-	6,253	(2,309)

(iii) AgriTech

	Seeds and Grain 2012 $000	Seeds and Grain 2011 $000	Agrifeeds 2012 $000	Agrifeeds 2011 $000	South America 2012 $000	South America 2011 $000	AgriTech 2012 $000	AgriTech 2011 $000
Total segment revenue	336,554	328,001	53,683	55,727	96,227	95,682	486,464	479,410
Intersegment revenue	(51,416)	(59,692)	-	-	-	-	(51,416)	(59,692)
Total external operating revenues	285,138	268,309	53,683	55,727	96,227	95,682	435,048	419,718
Operating EBITDA	19,361	28,575	5,273	5,474	5,461	4,152	30,095	38,201

(iv) Other

	HR & Corporate Services 2012 $000	HR & Corporate Services 2011 $000	PGW Rural Capital 2012 $000	PGW Rural Capital 2011 $000	Finance (PWF) 2012 $000	Finance (PWF) 2011 $000	Group Elimination / Consolidation & Discontinued operations adjustment 2012 $000	Group Elimination / Consolidation & Discontinued operations adjustment 2011 $000	Other 2012 $000	Other 2011 $000
Total segment revenue	4,498	5,986	7,000	-	9,243	55,129	(16,243)	(54,463)	4,498	6,652
Intersegment revenue	-	-	-	-	-	-	-	-	-	-
Total external operating revenues	4,498	5,986	7,000	-	9,243	55,129	(16,243)	(54,463)	4,498	6,652
Operating EBITDA	(20,457)	(19,192)	(1,140)	-	1,170	5,448	(541)	(7,802)	(20,968)	(21,546)

The Group operates predominantly in New Zealand with some operations in Australia, South America and formerly the United Kingdom.
The Australian, South American and United Kingdom 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 2012 $000	Group 2011 $000
Revenue derived from outside the Group		
New Zealand	1,142,733	1,066,334
Australia	78,798	62,281
South America	114,913	118,199
United Kingdom	369	433
Total revenue derived from outside the Group	1,336,813	1,247,247
Non current assets excluding financial instruments and deferred tax		
New Zealand	391,221	394,802
Australia	38,588	32,735
South America	10,738	11,377
United Kingdom	-	207
Total non current assets excluding financial instruments and deferred tax	440,547	439,121

5 Operating Revenue

	Note	Continuing operations 2012 $000	Continuing operations 2011 $000	Discontinued operations 2012 $000	Discontinued operations 2011 $000	Total 2012 $000	Total 2011 $000
Group							
Sales		1,201,645	1,136,421	17	407	1,201,662	1,136,828
Commissions		107,053	87,718	73	539	107,126	88,257
Construction contract revenue		24,761	18,599	-	-	24,761	18,599
NZFSU management fee		-	160	-	-	-	160
Interest revenue on finance receivables		3,354	4,349	16,153	54,183	19,507	58,532
Total operating revenue	13	1,336,813	1,247,247	16,243	55,129	1,353,056	1,302,376
Company							
Sales		670,329	654,796	-	-	670,329	654,796
Commissions		66,022	63,002	-	-	66,022	63,002
Construction contract revenue		24,761	18,599	-	-	24,761	18,599
Interest revenue on finance receivables		2,878	3,698	-	-	2,878	3,698
Total operating revenue		763,990	740,095	-	-	763,990	740,095

6 Other Income

	2012 $000	2011 $000
Group		
Dividend income	362	322
Other investment income	1,188	651
	1,550	973
Company		
Dividend income	14	3,172
Interest income on preference share investment in PWF	453	2,708
Other investment income	180	183
	647	6,063

7 Operating Expenses

	2012 $000	2011 $000
Group		
Operating expenses include the following items:		
Audit of financial statements - KPMG	326	577
Other non-audit services for accounting opinions paid to KPMG	70	31
Directors' fees	763	853
Donations	13	6
Doubtful debts - (decrease)/increase in provision for doubtful debts	1,986	4,585
Doubtful debts - bad debts written off	225	1,147
Foreign currency (profits)/losses	-	1,804
Marketing	9,328	10,130
Motor vehicle costs	8,979	8,058
Rental and operating lease costs	30,518	29,797
Other expenses	50,016	43,849
	102,224	100,837
Company		
Audit of financial statements - KPMG	67	420
Other non-audit services for accounting opinions paid to KPMG	58	15
Directors' fees	757	801
Donations	1	2
Doubtful debts - (decrease)/increase in provision for doubtful debts	2,032	4,473
Doubtful debts - bad debts written off	109	916
Foreign currency (profits)/losses	-	(111)
Marketing	3,418	4,392
Motor vehicle costs	5,659	5,514
Rental and operating lease costs	19,191	19,868
Other expenses	22,336	22,072
	53,628	58,362

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 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)
Impaired										
50% Kelso Wrightson (2004) Limited	-	-	-	-	-	-	-	-	-	-
	1,495	33	1,528	920	-	920	4,385	(4,110)	274	**101**
30 June 2011										
Continuing										
50% Agritranz Limited	409	17	426	(295)	-	(295)	2,516	(2,445)	71	15
51% Forage Innovations Limited	802	-	802	(674)	-	(674)	735	(621)	114	8
50% Gramina Pty Limited	51	-	51	(7)	-	(7)	127	(127)	-	-
50% Canterbury Sale Yards (1996) Limited	96	4	100	(22)	-	(22)	570	(500)	70	9
Disposed/Impaired										
33% NZ Velvet Marketing Company Limited	-	-	-	-	-	-	9,168	(9,129)	39	(29)
50% Velvet Logistics Limited	-	-	-	-	-	-	932	(1,033)	(101)	(124)
50% Kelso Wrightson (2004) Limited	-	-	-	-	-	-	61	(43)	18	9
50% The New Zealand Merino Compa	-	-	-	-		-	11,254	(8,260)	2,994	901
	1,358	21	1,379	(998)	-	(998)	25,363	(22,158)	3,205	**789**

On 13 December 2011 the Group exited its 33% interest in NZ Velvet Marketing Company Limited for nil consideration. On 30 September 2011 the Group exited its 50% interest in Velvet Logistics Limited for $0.001 million. Disposal costs of exiting these investments was $0.3m.

9 Non Operating Items

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Gains /(Losses) on sale of businesses, property plant and equipment		(1,988)	1,615	(1,334)	(4,639)
Gains / (Losses) on sale of PGG Wrightson Finance Limited	13	(3,656)	-	20,013	-
Discount on acquisition on purchase of business		-	3,286	-	-
Defined benefit superannuation plan	29	446	(1,656)	446	(1,656)
Restructuring		(1,596)	(8,499)	(560)	(7,298)
Management fee from subsidiaries	38	-	-	(7,000)	46,807
Silver Fern Farms supply contract	28	5,034	(9,555)	5,034	(9,555)
Other non operating items		(181)	(7,220)	(6)	(4,821)
		(1,941)	(22,029)	16,593	18,838

On 31 August 2011 the Group sold its subsidiary PGG Wrightson Finance Limited (PWF) to Heartland's wholly-owned subsidiary Heartland Building Society (Heartland). The sale price was $98.17million, being an amount equal to the adjusted net tangible assets of PWF as at settlement date. This resulted in a loss on disposal of $0.32 million. Investment disposal costs of $1.07 million have been recognised with respect to the sale.

As part of the sale transaction the Group agreed to purchase 13,333,333 shares in Heartland New Zealand Limited for $0.75 per share. The fair value of these shares at the NZX list price as at the completion date was $0.58 per share resulting in an additional loss on disposal of PWF of $2.27 million.

10 Fair Value Adjustments

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Continuing Operations					
Fair value adjustments on investments		-	2,165	-	-
Impairment on consolidation of WPI		-	(18,302)	-	(18,302)
BioPacific Ventures (to 31 December 2011)	25	(161)	(3,153)	-	-
Assets held for sale	19	(514)	(793)	(514)	(793)
Biological assets	20	(953)	564	(952)	564
Derivatives not in qualifying hedge relationships		(932)	4,729	(316)	3,398
Commodity contracts		-	639	-	-
		(2,560)	(14,151)	(1,782)	(15,133)
PWF Held for Sale Adjustment					
Assets held for sale	19	-	(9,441)	-	-
Derivatives not in qualifying hedge relationships PWF		-	(2,172)	-	-
		-	(11,613)	-	-
		(2,560)	(25,764)	(1,782)	(15,133)

11 Interest - Finance Income and Expense

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Finance income contains the following items:				
Interest received from Group companies	2	1	-	1
Other interest income	1,632	2,707	1,746	2,123
Finance Income	1,634	2,708	1,746	2,124
Interest funding expense				
Interest on interest rate swaps	(1,399)	(3,069)	(1,399)	(3,069)
Interest on bank loans and overdrafts	(8,737)	(13,616)	(8,638)	(11,949)
Bank facility fees	(4,937)	(12,967)	(4,723)	(12,385)
Net gain / (loss) on foreign denominated items	(396)	(1,143)	81	105
Finance expense	(15,469)	(30,795)	(14,679)	(27,298)
Net interest and finance costs	(13,835)	(28,087)	(12,933)	(25,174)

12 Income Tax Expense

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Current tax expense				
Current year	7,861	1,349	(1,660)	3,128
Adjustments for prior years	(8,248)	(1,721)	2,547	(66)
	(387)	(372)	887	3,062
Deferred tax expense				
Origination and reversal of temporary differences	(6,532)	(3,175)	343	(745)
Effect of change in tax rates	-	501	-	502
Adjustments for prior years	10,260	2,461	(1,616)	276
	3,728	(213)	(1,273)	33
Total income tax expense	3,341	(585)	(386)	3,095
Profit for the year	24,453	(30,667)	13,503	(18,468)
Total income tax expense	3,341	(585)	(386)	3,095
Tax on discontinued operations	(2,573)	2,747	-	-
Profit excluding income tax	25,221	(28,505)	13,117	(15,373)

	Group 2012 %	Group 2012 $000	Group 2011 %	Group 2011 $000	Company 2012 %	Company 2012 $000	Company 2011 %	Company 2011 $000
Income tax using the Company's domestic tax rate	28.0%	7,062	30.0%	(8,552)	28.0%	3,673	30.0%	(4,612)
Effect of tax rates in foreign jurisdictions	9.4%	2,371	-4.6%	1,310	0.0%	-	0.0%	-
Non-deductible expenses	0.3%	64	-28.4%	8,107	14.1%	1,850	-43.2%	6,634
Effect of reduction in corporate tax rate	0.0%	-	-3.7%	1,045	0.0%	-	-3.3%	502
Adjustment to deferred tax on buildings	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Deductible expenses included in other comprehensive income	-2.4%	(598)	2.8%	(812)	-4.6%	(598)	5.3%	(812)
Taxable dividends from equity accounted associates	0.0%	-	-3.3%	932	0.0%	-	-6.1%	932
Tax effect of discontinued operations	10.2%	2,573	9.6%	(2,747)	0.0%	-	0.0%	-
Tax exempt income	-24.7%	(6,225)	2.1%	(608)	-47.6%	(6,242)	-1.6%	241
Under/(over) provided in prior years	8.0%	2,012	-2.6%	740	7.1%	931	-1.4%	210
Deferred tax impact of entry into tax consolidation regime	-15.5%	(3,918)	0.0%	-	0.0%	-	0.0%	-
	13.2%	3,341	2.1%	(585)	-2.9%	(386)	-20.1%	3,095

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Income tax recognised directly in equity				
Deferred tax on movement of actuarial gains/losses on employee benefit plans	2,727	(194)	2,727	(194)
Total income tax recognised directly in equity	2,727	(194)	2,727	(194)
Imputation credits				
Balance as at 1 July	3,880	2,592	3,880	2,592
Taxation paid (net of refunds)	3,623	-	3,623	-
Imputation credits/RWT attached to dividends received	-	1,288	-	1,288
Transfers, refunds and adjustments	(615)	-	(615)	-
Balance as at 30 June	6,888	3,880	6,888	3,880

13 Discontinued Operations

In June 2011 the Group entered into a conditional share sale agreement with Heartland New Zealand Limited to sell its finance subsidiary PGG Wrightson Finance Limited (PWF) to Heartland's wholly-owned subsidiary Heartland Building Society (Heartland). The sale completed on 31 August 2011.

In connection with the PWF sale transaction the Group transferred certain excluded loans to its wholly owned subsidiary, PGW Rural Capital Limited, which is working to realise or refinance these facilities over the short to medium term. The operations of this entity are treated as discontinued and are also included within this note.

In the period to 31 August 2011 PGG Wrightson Finance Limited contributed a profit after tax of $0.159 million. In the period from 1 September 2011 to 30 June 2012 PGW Rural Capital contributed a loss after tax of $0.798 million.

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Profits attributable to the discontinued operation were as follows:					
Results of discontinued operations					
Revenue		16,243	55,129	-	-
Expenses		(18,556)	(50,020)	-	-
		(2,313)	5,109	-	-
Fair value adjustments		(1,069)	2,171	-	-
Results from operating activities		(3,382)	7,280	-	-
Income tax expense		2,573	(2,747)	-	-
		(809)	4,533	-	-
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		(4,465)	4,533	20,013	-
Basic and diluted earnings per share (New Zealand dollars) *(refer to Note 14 for weighted average number of shares)*		-0.01	0.01	0.03	0.00
Cash flows from discontinued operations					
Net cash from operating activities		14,120	4,814	-	-
Net cash from/(used in) discontinued operation		14,120	4,814	-	-
Effect of disposal on the financial position of the Group					
Property, plant and equipment		(54)	(47)	-	-
Intangibles		(250)	(280)	-	-
Trade and other receivables		(401,755)	(430,731)	-	-
Cash and cash equivalents		(61,686)	(71,617)	-	-
Trade and other payables		375,569	417,198	-	-
Income tax		(9,892)	(6,115)	-	-
Net identifiable assets and liabilities		(98,068)	(91,592)	-	-
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 2012 was based on the profit/(loss) attributable to ordinary shareholders of $24,453,000 (2011: loss of $30,667,000) by the weighted average number of shares, 754,848,774 (2011: 758,136,443) on issue. There are no dilutive shares or options (2011: Nil).

	Group 2012 000	Group 2011 000
Number of shares		
Weighted average number of ordinary shares for earnings per share calculation	754,849	758,136
Number of ordinary shares at year end	754,849	754,849

	Group 2012 $000	Group 2011 $000
Net Tangible Assets		
Total assets	980,472	1,449,026
Total liabilities	(402,698)	(844,685)
less intangible assets	(332,925)	(333,909)
less deferred tax	(14,458)	(8,003)
	230,391	262,429

	Group 2012 $	Group 2011 $
Net tangible assets per security at year end	0.31	0.35
Earnings per share	0.03	(0.04)

15 Cash and Bank Facilities

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Cash and cash equivalents/(bank overdraft)	15,911	216	6,319	(2,564)
Current bank facilities	(29,709)	(52,194)	-	(11,000)
Term bank facilities	(111,500)	(124,500)	(111,500)	(124,500)
	(125,298)	(176,478)	(105,181)	(138,064)

The Group has bank facilities of $275.48 million. The Group has granted to ANZ National Bank Limited a general security deed and mortgage over all its assets. ANZ National Bank Limited holds this security on trust for the banking syndicate (ANZ National Bank Limited and Bank of New Zealand Limited).
The Company bank syndicate facilities include:

- A term debt facility of $130.00 million that matures on 31 July 2014.
- A working capital facility of $60.00 million that matures on 31 July 2014.
- An amortising facility of $38.98 million that matures on 31 July 2013.
- Overdraft, guarantee and trade finance facilities of $46.5 million.

16 Derivative Financial Instruments

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Derivative assets held for risk management	3,450	6,103	972	3,077
Derivative liabilities held for risk management	(1,754)	(3,495)	(1,069)	(2,858)
Net derivatives held for risk management	1,696	2,608	(97)	219

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 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Accounts receivable	196,146	219,000	98,391	120,069
Less provision for doubtful debts	(8,720)	(8,734)	(6,791)	(6,081)
Net accounts receivable	187,426	210,266	91,600	113,988
Other receivables and prepayments	19,680	19,789	12,168	12,973
Amounts owing from subsidiaries	-	-	274,818	233,229
Trade receivables due from related parties	-	-	744	594
	207,106	230,055	379,330	360,784
Analysis of movements in provision for doubtful debts				
Balance at beginning of year	(8,734)	(7,040)	(6,081)	(4,978)
Movement in provision	14	(1,694)	(710)	(1,103)
Balance at end of year	(8,720)	(8,734)	(6,791)	(6,081)

Receivables denominated in currencies other than the functional currency comprise $18.7 million (2011: $36.6 million) of trade receivables denominated in; USD $13.7 million (2011: $13.3 million), AUD $1.2 million (2011:$20.6 million), EUR $3.6 million (2011: $2.4 million) and GBP $0.2 million (2011: $0.3 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. No comparatives are provided for PWF as it was classified as held for sale as at 30 June 2011 and its Finance Receivable were included in assets held for sale (Note 19).

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Finance receivables - less than one year	47,494	-	-	-
Finance receivables - greater than one year	-	-	-	-
	47,494	-	-	-
Less provision for doubtful debts	(18,246)	-	-	-
	29,248	-	-	-
Impairment:				
Balance at the beginning of the period	-	-	-	-
Acquired provision for doubtful debts	(23,458)	-	-	-
Impaired losses recognised in the income statement	(13,550)	-	-	-
Interest charged on impaired accounts	(3,507)	-	-	-
Amounts written off in the income statement	22,624	-	-	-
Amounts written off not previously provided for	(355)	-	-	-
Movement in specific provision and bad debts written off	(18,246)	-	-	-

The status of the receivables at the reporting date is as follows:	Group Not impaired 2012 $000	Group Impaired 2012 $000	Group Not impaired 2011 $000	Group Impaired 2011 $000	Company Not impaired 2012 $000	Company Impaired 2012 $000	Company Not impaired 2011 $000	Company Impaired 2011 $000
Not past due	-	-	-	-	-	-	-	-
Past due 0 - 90 days	-	-	-	-	-	-	-	-
Past due 91 - 365 days	-	-	-	-	-	-	-	-
Past due more than 1 year	-	47,494	-	-	-	-	-	-
Impairment	-	(18,246)	-	-	-	-	-	-
	-	29,248	-	-	-	-	-	-

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Asset Quality - Finance Loans and Receivables				
Neither past due or impaired	-	-	-	-
Individually impaired loans	47,494	-	-	-
Past due loans	-	-	-	-
Provision for credit impairment	(18,246)	-	-	-
Total carrying amount	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	-	-	-	-
Additions to 90 day past due assets	47,494	-	-	-
Reduction in 90 day past due assets	-	-	-	-
Balance at the end of the year	47,494	-	-	-
Impaired Assets				
Balance at the beginning of the year	-	-	-	-
Acquired impaired assets	90,180			
Additions to individually impaired assets	10,344	-	-	-
Amounts written off	(22,624)	-	-	-
Repayments	(30,406)	-	-	-
Balance at the end of the year	47,494	-	-	-
Provision for credit impairment	(18,246)	-	-	-
Net carrying amount of impaired assets	29,248	-	-	-

19 Assets Held for Sale

Properties

The Group currently has seven properties classed as held for sale. The properties are on the market and are held at market value (Note 10). An impairment of $0.5 million (2011: $0.8 million) has been recognised on reclassification to held for sale.

A total impairment loss of $0.5 million (2011: $10.2 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.

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Assets classified as held for sale				
Property, plant and equipment	5,551	607	5,551	560
Intangibles	-	280	-	-
Cash and cash equivalents	-	71,617	-	-
Finance and other and other receivables	-	436,846	-	-
Goodwill	-	-	-	-
	5,551	509,350	5,551	560
Liabilities classified as held for sale				
Finance and other payables	-	417,198	-	-
	-	417,198	-	-

20 Biological Assets

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Livestock					
Opening balance		25,565	23,213	25,565	23,213
Increase due to acquisitions		40,863	45,968	40,863	45,968
Decrease due to sales		(44,574)	(44,072)	(44,574)	(44,072)
Net decrease due to births, deaths and category changes		(43)	(108)	(43)	(108)
Changes in fair value	10	(953)	564	(953)	564
Closing balance		20,858	25,565	20,858	25,565
Current		20,651	25,367	20,651	25,367
Non-current breeding stock		207	198	207	198
		20,858	25,565	20,858	25,565

As at 30 June 2012, livestock held for sale comprised 11,677 cattle, 54,983 sheep and 256 other (consisting of bulls and deer) (2011: 17,641 cattle, 81,491 sheep and 302 other (consisting of bulls, deer and semen)). During the year the Group sold 20,157 cattle, 158,491 sheep and 32 other (2011: 27,655 cattle, 283,097 sheep and 24 other).

21 Inventory

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Merchandise/finished goods	240,978	225,778	50,391	48,443
Work in progress	4,461	11,363	2,621	1,758
Less provision for inventory write down	(6,037)	(6,881)	(2,473)	(1,968)
	239,402	230,260	50,539	48,233

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 2012 $000	Assets 2011 $000	Liabilities 2012 $000	Liabilities 2011 $000	Net 2012 $000	Net 2011 $000
Recognised deferred tax assets and liabilities						
Deferred tax assets and liabilities are attributable to the following:						
Group						
Property, plant and equipment	59	35	(3,625)	(3,258)	(3,566)	(3,223)
Intangible assets	-	-	(1,720)	(2,001)	(1,720)	(2,001)
Provisions	15,116	11,814	-	-	15,116	11,814
Other items	4,628	1,438	-	(25)	4,628	1,413
Tax (asset)/liability	19,803	13,287	(5,345)	(5,284)	14,458	8,003
Company						
Property, plant and equipment	-	-	(2,440)	(2,391)	(2,440)	(2,391)
Intangible assets	-	-	(1,719)	(1,986)	(1,719)	(1,986)
Provisions	7,579	6,343	-	-	7,579	6,343
Other items	-	-	-	-	-	-
Tax (asset)/liability	7,579	6,343	(4,159)	(4,377)	3,420	1,966

Movement in deferred tax on temporary differences during the year	Balance 1 Jul 2010 $000	Recognised in profit or loss $000	Recognised in other comprehensive income $000	Balance 30 Jun 2011 $000	Recognised in profit or loss $000	Recognised in other comprehensive income $000	Balance 30 Jun 2012 $000
Group							
Property, plant and equipment	(6,041)	5,218	-	(823)	(343)	-	(1,166)
Change in deferred tax on buildings	(2,400)	-	-	(2,400)	-	-	(2,400)
Change in corporate tax rate	412	(1,046)	-	(634)	634	-	-
Intangible assets	(145)	(1,856)	-	(2,001)	281	-	(1,720)
Employee benefits	5,623	(1,515)	(194)	3,914	1,184	2,727	7,825
Provisions	12,319	(3,785)	-	8,534	(1,243)	-	7,291
Other items	(1,358)	2,771	-	1,413	3,215	-	4,628
	8,410	(213)	(194)	8,003	3,728	2,727	14,458
Company							
Property, plant and equipment	(6,049)	6,058	-	9	354	-	363
Change in deferred tax on buildings	(2,400)	-	-	(2,400)	-	-	(2,400)
Change in corporate tax rate	403	(502)	-	(99)	99	-	-
Intangible assets	-	(1,986)	-	(1,986)	267	-	(1,719)
Employee benefits	5,623	(2,478)	(194)	2,951	940	2,727	6,618
Provisions	5,908	(2,417)	-	3,491	(2,933)	-	558
Other items	(1,358)	1,358	-	-	-	-	-
	2,127	33	(194)	1,966	(1,273)	2,727	3,420

Unrecognised tax losses / Unrecognised temporary differences
The Company does not have any unrecognised tax losses or unrecognised temporary differences.

Australian restructure
As part of the reorganisation of the Group into the AgriTech and AgriServices divisions a new Australian holding company for the AgriTech division, PGW Agritech Australia Pty Limited, was incorporated on 27 January 2012 and subsequently acquired the existing Australian entities on 29 March 2012. From this date, PGW Agritech Australia Pty Limited elected to form a new Australian tax consolidated group (together with its Australian subsidiaries) which resulted in an uplift in the tax cost bases of certain assets of the tax consolidated group. The deferred tax impact of the uplift in tax cost bases has been duly reflected the financial statements.

23 Group entities

Significant Subsidiaries	Country of Incorporation	Direct Parent	Ownership Interest 2012 %	2011 %
PGW Agritech Holdings Limited	New Zealand	PGG Wrightson Limited	100%	NA
PGW Rural Capital Limited	New Zealand	PGG Wrightson Limited	100%	NA
PGW Agritech New Zealand Limited	New Zealand	PGG Wrightson Limited	100%	NA
PGG Wrightson Consortia Research 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%	NA
PGG AgriServices Australia Pty Limited (formerly PGG Wrightson Real Estate Australia Pty Limited)	Australia	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%
AgriTech South America Limited (formerly PGG Wrightson Investment Limited)	New Zealand	PGW Agritech Holdings Limited	100%	100%
PGW Agritech Australia Pty Limited	Australia	PGW Agritech Holdings Limited	100%	NA
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%	NA
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.	51%	51%
Agrosan S.A.	Uruguay	PGW AgriTech South America SA	100%	100%
Kroslyn SA Limited	Uruguay	Agrosan SA Limited	100%	100%
Guarneri y Ghilino Ltda	Uruguay	Idogal SA	100%	100%
Escritorio Romualdo Rodriguez Ltda	Uruguay	Afinlux SA	100%	100%
Alfalfares S.R.L.	Argentina	PGW AgriTech South America SA	51%	51%
NZ Ruralco Participacoes Ltda	Brazil	Agrosan SA Limited	100%	100%

Acquisition of Subsidiaries or Businesses

During the year ending 30 June 2012 there have been no new acquisitions made by the Group.

24 Equity Accounted Associates

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Movement in carrying value of equity accounted investees					
Opening balance		168	3,759	126	2,266
New investments		-	-	-	-
Reclassification		-	-	(96)	876
Divestment of Associate		-	(1,047)	-	(2,599)
Impairment of investments in associates		-	(226)	-	(417)
Share of profit/(loss)	8	101	789	-	-
Dividends received		-	(3,107)	-	-
Closing balance		269	168	30	126

There is no goodwill included in the carrying value of equity accounted investees (2011: Nil).

25 Other Investments

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
BioPacific Ventures Limited	36	8,760	9,435	-	-
Heartland New Zealand Limited		7,067	-	7,067	-
Sundry other investments including saleyards		5,537	1,290	457	442
Advances to associates		(81)	(62)	54	77
		21,283	10,663	7,578	519

From 1 January 2012 the Group early adopted NZ IFRS 9 (2009) and elected, from the date of adoption, to present gains or losses in the fair value of the BioPacific Ventures Limited equity instrument through Other Comprehensive Income. A fair value loss of $0.88 million was recorded on this investment from 1 January 2012. The investment is classified as level 3 in the financial instruments note (Note 33). A fair value loss of $0.16m was recorded through the profit and loss for the period up to adoption of NZ IFRS 9 (2009).

The Group purchased 13,333,333 shares in Heartland New Zealand Limited (HNZ) for $10.00 million as part of the agreement to sell PGG Wrightson Finance Limited (PWF). A fair value loss of $2.27 million was included in the loss on disposal of PWF disclosed in Note 9. An additional fair value loss of $1.20 million has been recognised in the statement of comprehensive income representing the NZX share price movement on the HNZ shares from the completion date of the sale of PWF to 31 December 2011. From 1 January 2012 the Group early adopted NZ IFRS 9 (2009) and elected, from the date of adoption, to present gains or losses in the fair value of the investment in HNZ through Other Comprehensive Income. A fair value gain of $0.53 million was recorded on this investment from 1 January 2012.

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 small loans from various saleyard entities, livestock 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 2010	25,774	500	336,984	363,258	20,541	-	307,246	327,787
Additions	896	-	-	896	540	-	-	540
Added as part of a business combination	131	1,012	11,685	12,828	-	-	-	-
Disposals and reclassifications	(9,584)	-	-	(9,584)	(7,995)	-	-	(7,995)
Impairment	(3,044)	-	-	(3,044)	(3,044)	-	-	(3,044)
Effect of movement in exchange rates	(10)	-	(1,787)	(1,797)	-	-	-	-
Balance at 30 June 2011	14,163	1,512	346,882	362,557	10,042	-	307,246	317,288
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)
Impairment	-	-	-	-	-	-	-	-
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
Amortisation and impairment losses								
Balance at 1 July 2010	10,597	75	17,080	27,752	6,738	-	16,498	23,236
Amortisation for the year	2,432	-	-	2,432	2,103	-	-	2,103
Additions	41	500	-	541	-	-	-	-
Disposals and reclassifications	(6,502)	-	4,425	(2,077)	(5,890)	-	4,425	(1,465)
Balance at 30 June 2011	6,568	575	21,505	28,648	2,951	-	20,923	23,874
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)
Balance at 30 June 2012	8,208	575	21,505	30,288	4,441	-	20,923	25,364
Carrying amounts								
At 1 July 2010	15,177	425	319,904	335,506	13,803	-	290,748	304,551
At 30 June 2011	7,595	937	325,377	333,909	7,091	-	286,323	293,414
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	6,139	-	91,323	97,463

As part of the reorganisation of the Group into the AgriTech and AgriServices divisions, a new holding company for the AgriTech division, PGW Agritech Holdings Limited, was incorporated on 24 January 2012 and subsequently acquired the investments of all AgriTech entities. As a result of this restructure, goodwill of $195 million moved from the Company to the Group.

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. The impairment tests for Cash-Generating Units (CGUs) were based on the value in use, being higher than the fair value less costs to sell.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:	Group 2012 $000	Group 2011 $000
Livestock	80,000	80,000
Other AgriServices	29,051	22,046
AgriTech	216,636	223,331
	325,687	325,377

As a result of the reorganisation of the Group into the AgriTech and AgriServices divisions two distinct AgriTech and AgriServices holding companies were established in South America during the period. This has resulted in the reclassification of Goodwill previously recorded within the AgriTech segment to the Other AgriServices segment.

In addition, the basis of allocating Corporate assets and costs has been reassessed which has resulted in impairment testing being undertaken at two levels:
- at a CGU level excluding corporate assets
- at a total business level including Corporate assets

The value in use was determined by discounting the expected post tax future cash flows generated from the continuing use of each unit. Cash flows were projected based on a combination of actual operating results, the 2013 budget and 2014 and 2015 forecasted results. At the end of the three year period a terminal year is added to represent a steady state operating position.

The Directors have considered market share transactions in the current year and concluded that the value in use model, and assumptions made, continue to be appropriate for the medium to long term assessment of goodwill.

Key assumptions used in the discounted cash flow projections
Key assumptions used in the calculation of recoverable amounts are the discount rate, growth rates including the terminal growth rate, working capital assumptions and capital expenditure.

Discount rate
A discount rate based on the Group's calculated weighted average cost of capital was used. A post tax discount rate of 8.6% was applied (2011: 9.1%). This discount rate was assessed for reasonableness by an external advisor.

Growth rates used
2013 cash flows are based on the budget approved by the Board of Directors. The 2013 budget was based on a business as usual model and involved Livestock, Store, Retail and Regional Managers and the equivalent from the AgriTech division who prepared a detailed bottom-up budget for the period. This included actual 2012 results and made no allowance for any transactions that were not announced as at 30 June 2012. The budget provided the following for the respective cash generating units:

Livestock – The 2013 budget considers reduced livestock tallies and prices, with modest growth over the following 2 years. New Export Livestock contracts are expected to be entered into post completion of existing contracts.

Other AgriServices – A continuation of growth in Real Estate division with additional growth in future years consistent with the Directors' plans for focusing operations in this sector.

AgriTech – 2013 is expected to see a recovery in the Australian market following the weather events of 2011 and 2012. Significant Growth in the South American operations is expected to provide further improvements over a number of years.

The Directors believe that the planned growth per year for each cash generating unit, for the next three years is reasonably achievable and is consistent with the medium term growth rates for the industry.

The 2014 and 2015 cash flows are based on forecasts prepared on the same basis as the 2013 budgets which is considered appropriate given the AgriServices and AgriTech divisional strategy.

The table below summarises the EBITDA growth assumptions within the value in use model.

Growth Rate	2013	2014	2015
Livestock	-5%	6%	6%
Other AgriServices	-48%	17%	15%
AgriTech	40%	14%	16%
Group	**1%**	**18%**	**14%**

Terminal growth rate
All CGUs have three years (2011: five years) of cash flows included in their discounted cash flow models. Beyond this period a long term growth rate of 3% (2011: 3%) has been applied in perpetuity to determine a terminal value of the CGU. This terminal growth rate was assessed for reasonableness by an external advisor.

Working capital assumptions
The cash flow impact of movements in working capital is forecast based on the following key working capital assumptions.

Debtor days	56
Creditor days	(78)
Inventory days	91
	69

Capital expenditure
The capital asset base is forecast to remain constant. As capital assets reach the end of their useful lives, they will be replaced, meaning that capital expenditure is forecast to offset expected depreciation of the current asset base.

Other Key Assumptions
- The tax rate applying to these cash flows is 28%.
- Cash flows from the exit of loans held by PGW Rural Capital Limited are expected to occur during the 2013 financial year.

Sensitivity to changes in assumptions
The estimated recoverable amounts of all CGUs tested for impairment (excluding Corporate assets and cost allocations) significantly exceed the carrying values.

The estimated recoverable amount of the business (of the highest level at which Corporate assets and costs can be reasonably allocated) showed an excess over carrying value of $28.1 million (2011: $33.3 million)

Management have assessed the carrying value of the net assets in CGUs with no goodwill allocation and consider those assets are fully recoverable and not impaired.

Management have identified five key assumptions for which there could be a reasonable possible change that could cause the carrying amount to exceed the recoverable amount. The table below shows the amount that each of these assumptions are required to change individually, in isolation of all other assumptions, in order for the estimated recoverable amount to be equal to the carrying amount.

		Group 2012 $000	Group 2011 $000
Increase in discount rate	**%**	0.2%	0.3%
Decrease in actual EBITDA against forecast annual EBITDA (2013-2015)	**%**	-1.9%	-4.0%
Change in capital expenditure per year above depreciation and amortisation	**$000**	1,629	3,030
Increase in working capital days	**Days**	5	7
(Decrease) in terminal growth	**%**	-0.4%	-0.5%

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 2010	15,600	31,473	89,853	1,511	138,437	14,431	26,675	49,995	1,318	92,419
Additions	216	103	3,615	1,426	5,360	-	142	763	586	1,491
Added as part of a business combination	-	-	15,271	54	15,325	-	-	-	-	-
Disposals and transfers to other asset classes	(340)	(4,749)	(26,306)	-	(31,395)	(340)	(4,252)	(25,080)	-	(29,672)
Revalued on initial measurement	484	2,054	1,882	-	4,420	-	-	-	-	-
Effect of movements in exchange rates	38	268	233	-	539	-	-	-	-	-
Balance at 30 June 2011	15,998	29,149	84,548	2,991	132,686	14,091	22,565	25,678	1,904	64,238
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
Added as part of a business combination	-	-	-	-	-	-	-	-	-	-
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
Depreciation and impairment losses										
Balance at 1 July 2010	-	3,762	57,515	-	61,277	-	3,246	37,407	-	40,653
Depreciation for the year	-	378	8,047	-	8,425	-	-	4,235	-	4,235
Depreciation on discontinued operations	-	-	(204)	-	(204)	-	-	-	-	-
Depreciation recovered to COGS	-	-	(529)	-	(529)	-	-	-	-	-
Additions	-	-	(3)	-	(3)	-	-	-	-	-
Added as part of a business combination	-	-	226	-	226	-	-	-	-	-
Disposals and transfers to other asset classes	-	(1,083)	(28,789)	-	(29,872)	-	(936)	(25,188)	-	(26,124)
Effect of movements in exchange rates	-	210	(1,027)	-	(817)	-	-	-	-	-
Balance at 30 June 2011	-	3,267	35,236	-	38,503	-	2,310	16,454	-	18,764
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	-	-	-	-	-	-	-	-	-	-
Added as part of a business combination	-	-	-	-	-	-	-	-	-	-
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
Carrying amounts										
At 1 July 2010	15,600	27,711	32,338	1,511	77,160	14,431	23,429	12,588	1,318	51,766
At 30 June 2011	15,998	25,882	49,312	2,991	94,183	14,091	20,255	9,224	1,904	45,474
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

Property, plant and equipment under construction

During the year ended 30 June 2012 the Group completed a property project in Ashburton.

28 Trade and Other Payables

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Trade creditors	133,340	144,202	91,322	88,037
Loyalty reward programme	1,405	1,318	1,405	1,318
Deposits received in advance	6,457	8,687	6,225	8,172
Accruals and other liabilities	74,738	61,579	17,735	31,650
Employee entitlements	17,531	14,542	13,364	10,689
Amounts owing to subsidiaries	-	-	218	298
	233,471	230,328	130,269	140,164
Payable within 12 months	228,142	222,513	129,110	133,561
Payable beyond 12 months	5,329	7,815	1,159	6,603
	233,471	230,328	130,269	140,164

Payables denominated in currencies other than the functional currency comprise $61.1 million (2011: $59.2 million) of trade payables denominated in; USD $31.3 million (2011: $30.6 million), AUD $1.1 million (2011: $8.1 million), EUR $27.0 million (2011: $18.9 million) and GBP $1.7 million (2011: $1.6 million).

<u>Provisions</u>

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 from the contract. The Directors have reconsidered this provision as at 30 June 2012 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 $1.3 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 37.

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Balance as at 1 July	9,555	-	9,555	-
Payment made under contract	(3,182)	-	(3,182)	-
Assessment of provision	(5,034)	9,555	(5,034)	9,555
Balance as at 30 June	1,339	9,555	1,339	9,555

Loyalty reward programme

The PGG Wrightson Loyalty Reward Programme is run in conjunction with the co-branded American Express card (currently being transitioned to the new co-branded ASB Visa reward card). A provision is retained for the expected level of points redemption.

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Balance as at 1 July	1,318	1,603	1,318	1,603
Additional provision made	415	795	415	795
Amount utilised	(328)	(1,080)	(328)	(1,080)
Balance as at 30 June	1,405	1,318	1,405	1,318

29 Defined Benefit Asset / Liability

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Present value of funded obligations	(75,495)	(69,145)	(75,495)	(69,145)
Fair value of plan assets	49,231	52,175	49,231	52,175
Total defined benefit asset / (liability)	(26,264)	(16,970)	(26,264)	(16,970)

The Group makes contributions to two defined benefit plans that provide a range of superannuation and insurance benefits for employees and former employees. 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:	2012	2011	2012	2011
NZ equities	62%	63%	62%	63%
Fixed interest	36%	34%	36%	34%
Cash	2%	3%	2%	3%
	100%	100%	100%	100%

Actuarial Assumptions:

Principal actuarial assumptions at the reporting date (expressed as weighted averages):	2012	2011
Discount rate used (10 year New Zealand Government Bond rate)	3.41%	5.04%
Expected return on plan assets	6.00%	6.00%
Future salary increases	3.50%	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 6 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	2012 $000	2011 $000	2010 $000	2009 $000	2008 $000
Present value of the defined benefit obligation	75,495	69,145	66,040	61,863	68,705
Fair value of plan assets	(49,231)	(52,175)	(47,834)	(48,183)	(69,528)
Deficit / (surplus) in the plan	26,264	16,970	18,206	13,680	(823)

The Group expects to pay $3,808 million (2012: $2.319 million) in contributions to defined benefit plans in 2013. Member contributions are expected to be $1.150 million (2012: $1.128 million).

	Note	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Movement in the liability for defined benefit obligations:					
Liability for defined benefit obligations at 1 July		69,145	66,040	69,145	66,040
Benefits paid by the plan		(3,819)	(4,980)	(3,819)	(4,980)
Current service costs and interest		4,015	4,486	4,015	4,486
Member contributions		1,363	1,378	1,363	1,378
Actuarial (gains)/losses recognised in equity		4,791	2,221	4,791	2,221
Liability for defined benefit obligations at 30 June		75,495	69,145	75,495	69,145
Movement in plan assets:					
Fair value of plan assets at 1 July		52,175	47,834	52,175	47,834
Contributions paid into the plan		2,727	3,622	2,727	3,622
Benefits paid by the plan		(3,819)	(4,980)	(3,819)	(4,980)
Expected return on plan assets		3,097	2,830	3,097	2,830
Actuarial gains/(losses) recognised in equity		(4,949)	2,869	(4,949)	2,869
Fair value of plan assets at 30 June		49,231	52,175	49,231	52,175
Expense recognised in profit or loss:					
Current service costs		2,319	2,113	2,319	2,113
Interest on obligation		1,696	2,373	1,696	2,373
Expected return on plan assets		(3,097)	(2,830)	(3,097)	(2,830)
		918	1,656	918	1,656
Recognised in Non-Trading Items	9	(446)	1,656	(446)	1,656
Recognised in Employee Benefit Expense		1,364	-	1,364	-
		918	1,656	918	1,656
Actual return on plan assets		(1,371)	5,577	(1,371)	5,577
Gains and losses recognised in equity:					
Cumulative gains/(losses) at 1 July		(19,950)	(18,942)	(19,950)	(18,942)
Net profit and loss impact from current period costs		(918)	(1,656)	(918)	(1,656)
Recognised during the year		(10,730)	648	(10,730)	648
Cumulative gains/(losses) at 30 June		(31,598)	(19,950)	(31,598)	(19,950)

30 Capital and Reserves

	No. of shares 2012 000	No. of shares 2011 000	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
On issue at 1 July	754,849	758,441	640,174	640,174	640,174	640,174
Repayment of convertible redeemable notes	-	-	(33,850)	-	(33,850)	-
Share cancellation	-	(3,592)	-	-	-	-
Share capital on issue at 30 June	754,849	754,849	606,324	640,174	606,324	640,174

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. In December 2011 the Group repaid the convertible redeemable notes.

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
No dividends were declared and paid by the Group for the year ended 30 June 2012 (2011: $Nil).

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

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Profit after taxation	24,453	(30,667)	13,503	(18,468)
Add/(deduct) non-cash / non operating items:				
Depreciation and amortisation expense	8,323	10,124	4,013	6,338
Fair value adjustments	2,560	25,764	1,782	15,133
Net (profit)/loss on sale of assets/investments	5,644	(4,901)	(18,679)	4,639
Bad debts written off (net)	2,210	1,904	2,141	916
Increase in provision for doubtful debts	-	12,639	-	4,473
(Increase)/decrease in deferred taxation	(6,455)	407	(1,454)	161
Equity accounted earnings from associates	(100)	(789)	-	-
Management fee from subsidiaries	-	-	-	(46,807)
Contractual obligations accrual	(5,034)	11,564	(5,034)	9,789
Discontinued operations	968	(4,533)	-	-
Financing costs	-	2,557	1,300	1,463
Other non-cash items	1,517	1,892	2,704	(7,476)
	9,632	56,628	(13,226)	(11,371)
Add/(deduct) movement in working capital items:				
Movement in working capital due to sale/purchase of businesses	(3,539)	24,064	-	(113)
(Increase)/decrease in inventories and biological assets	(4,426)	(30,897)	2,410	1,613
(Increase)/decrease in accounts receivable and prepayments	25,354	(40,908)	25,052	(16,954)
(Increase)/decrease in assets held for sale	-	(92,108)	-	(516)
Increase/(decrease) in trade creditors, provisions and accruals	4,415	8,166	(5,578)	(2,030)
Increase/(decrease) in income tax payable/receivable	(3,597)	6,086	(5,283)	11,271
Increase/(decrease) in net finance assets	-	101,766	-	-
Increase/(decrease) in other term liabilities	6,281	2,788	(97)	17,640
	24,488	(21,043)	16,504	10,911
Net cash flow from operating activities	58,574	4,918	16,781	(18,928)

32 Employee Share Purchase Scheme

The scheme matured in May 2012. All shares under the scheme have been allocated to employees. The scheme held 213,673 shares as at 30 June 2012. The Board is yet to consider the treatment of these residual shares held by the scheme Trustee.

The PGG Wrightson Limited Employee Share Purchase Scheme was established by PGG Wrightson Limited in 2006 to assist employees to become shareholders in the Company. The scheme was open to every current New Zealand based permanent full-time employee and every permanent part-time employee who was normally employed or deemed to be employed for not less than twenty working hours in each week.

Fully paid ordinary shares in PGG Wrightson Limited were offered, from time to time, for purchase by each eligible employee. There were two options for paying for the shares, either an interest free loan or cash payment. The interest free loan was for a term of three years and repayments were automatically deducted from employees salaries and wages.

There was a three year restrictive period applicable to shares purchased. This period commenced on the date on which shares were purchased by the employees. During the restrictive period, the shares bought by the employees were registered in the name of the Trustee of the scheme and held by them on the employees behalf. At the end of the restrictive period, once any loan from the Trustee has been repaid in full, the shares were transferred to the employees. Employees were eligible for any dividends paid, or other distributions made by the Group to the holders of its ordinary shares during the restrictive period. Any voting rights attached to shares held by the Trustee were, unless the Group otherwise determined, exercised by the Trustee in such manner as it, in its absolute discretion, saw fit.

The Trustees shall from time to time at the direction of the Group acquire shares by subscription, purchase or otherwise which are to be held by the Trustees for the purposes of the scheme and/or for the benefit of eligible employees. For shares issued to the Trust, the issue price is based on the market price of the shares quoted on the New Zealand Stock Exchange at the date of issue.

Shares held by the Scheme

The plan held the following ordinary shares at the end of the year:

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Ordinary shares				
Allocated to employees (fully paid)	52	327	52	327
Not yet allocated to employees	-	52	-	52
Percentage of total ordinary shares	0.01%	0.05%	0.01%	0.05%

All shares held by the Scheme that are fully paid carry full voting rights. The Scheme acquired Nil shares during the year (2011: Nil).

Control of the Scheme

Non-beneficial control of the shares in the scheme not yet allocated to employees is vested in a Corporate Trustee, PGW Corporate Trustee Limited, the directors of which at balance date were Julian Daly, General Counsel and Company Secretary, and Rob Woodgate, Chief Financial Officer. If the shares have voting rights, the Corporate Trustee is entitled to exercise that voting power.

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Financial Commitments				
Advances from PGG Wrightson Limited to the Trustee	129	138	129	138

Advances from PGG Wrightson Limited are interest free and are repayable on demand. There are no advances to the Trustee from external sources. At balance date no shares (2011: Nil) had been pledged to external financial institutions as security.

33 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 $79.5 million (2011: $107.5 million) for the Group and $23.9 million (2011: $44.2 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 $123.0 million (Company: $123.0 million) of interest rate contracts at balance date (2011: Group $560.7 million, Company $67.0 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 2012, 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%	
	2012	2011	2012	2011
	$000	$000	$000	$000
Impact on net profit after tax	(967)	(443)	991	452
Members' equity	(967)	(443)	991	452

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.

Quantitative disclosures

(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.

	Within 12 months	1 to 2 years	2 to 5 years $000	Over 5 years $000	Contractual cash flow	Balance Sheet
Group 2012						
Assets	$000	$000	$000	$000	$000	$000
Cash and cash equivalents	15,911	-	-	-	15,911	15,911
Derivative financial instruments	2,951	499	-	-	3,450	3,450
Trade receivables	187,426	-	-	-	187,426	187,426
Finance receivables	29,248	-	-	-	29,248	29,248
	235,536	499	-	-	236,035	236,035
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
Group 2011						
Assets						
Cash and cash equivalents	216	-	-	-	216	216
Derivative financial instruments	5,357	746	-	-	6,103	6,103
Trade and other receivables	210,266	-	-	-	210,266	210,266
Finance receivables	-	-	-	-	-	-
	215,839	746	-	-	216,585	216,585
Liabilities						
Bank facilities	64,037	125,367	-	-	189,404	176,694
Derivative financial instruments	2,674	821	-	-	3,495	3,495
Trade and other payables	221,641	-	-	-	221,641	221,641
	288,352	126,188	-	-	414,540	401,830
Company 2012						
Assets						
Cash and cash equivalents	6,319	-	-	-	6,319	6,319
Derivative financial instruments	972	-	-	-	972	972
Trade receivables	367,162	-	-	-	367,162	367,162
	374,453	-	-	-	374,453	374,453
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
Company 2011						
Assets						
Cash and cash equivalents	-	-	-	-	-	-
Derivative financial instruments	2,982	95	-	-	3,077	3,077
Trade and other receivables	347,811	-	-	-	347,811	347,811
	350,793	95	-	-	350,888	350,888
Liabilities						
Bank overdraft	2,564	-	-	-	2,564	2,564
Bank facilities	22,455	125,367	-	-	147,822	135,500
Derivative financial instruments	2,088	770	-	-	2,858	2,858
Trade and other payables	131,992	-	-	-	131,992	131,992
	159,099	126,137	-	-	285,236	272,914

(b) Liquidity Risk - Expected Maturity Analysis

The following maturity analysis of the Group's finance receivables is based on their expected maturity dates. There is no material difference between contractual and expected maturity for all other categories of assets and liabilities. The liquidity profile will not agree to the contractual cashflow above because it is based on expected, not contractual, maturity.

	Within 12 months $000	1 to 2 years $000	2 to 5 years $000	Over 5 years $000	Total $000	Carrying Value $000
Group 2012						
Finance receivables	29,248	-	-	-	29,248	29,248
	29,248	-	-	-	29,248	29,248
Group 2011						
Finance receivables	-	-	-	-	-	-
	-	-	-	-	-	-
Company 2012						
Finance receivables	-	-	-	-	-	-
	-	-	-	-	-	-
Company 2011						
Finance receivables	-	-	-	-	-	-
	-	-	-	-	-	-

(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 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
Group 2011				
Cash and cash equivalents	2	173	36	31
Trade and other receivables	271	13,345	20,575	2,426
Trade and other payables	(1,619)	(30,535)	(8,079)	(18,904)
Net balance sheet position	(1,346)	(17,017)	12,532	(16,447)
Forward exchange contracts				
Notional forward exchange cover	(1,327)	(17,174)	12,667	(16,408)
Net unhedged position	(19)	157	(135)	(39)
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	-
Company 2011				
Cash and cash equivalents	-	36	1	-
Trade and other receivables	260	10,363	207	277
Trade and other payables	-	(21,570)	(6,468)	-
Net balance sheet position	260	(11,171)	(6,260)	277
Forward exchange contracts				
Notional forward exchange cover	260	(11,207)	(6,675)	277
Net unhedged position	-	36	415	-

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 2012					
Assets					
Cash and cash equivalents	15,911	-	-	-	15,911
Derivative financial instruments	-	-	-	3,450	3,450
Trade and other receivables	187,426	-	-	-	187,426
Finance receivables	29,248	-	-	-	29,248
	232,585	-	-	3,450	236,035
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
Group 2011					
Assets					
Cash and cash equivalents	216	-	-	-	216
Derivative financial instruments	-	-	-	6,103	6,103
Trade and other receivables	210,266	-	-	-	210,266
	210,482	-	-	6,103	216,585
Liabilities					
Bank facilities	176,694	-	-	-	176,694
Derivative financial instruments	28,000	(28,000)	-	3,495	3,495
Trade and other payables	-	-	-	221,641	221,641
	204,694	(28,000)	-	225,136	401,830
Company 2012					
Assets					
Cash and cash equivalents	6,319	-	-	-	6,319
Derivative financial instruments	-	-	-	972	972
Trade and other receivables	367,162	-	-	-	367,162
	373,481	-	-	972	374,453
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
Company 2011					
Assets					
Cash and cash equivalents	-	-	-	-	-
Derivative financial instruments	-	-	-	3,077	3,077
Trade and other receivables	347,811	-	-	-	347,811
	347,811	-	-	3,077	350,888
Liabilities					
Bank overdraft	2,564	-	-	-	2,564
Bank facilities	135,500	-	-	-	135,500
Derivative financial instruments	28,000	(28,000)	-	2,858	2,858
Trade and other payables	-	-	-	131,992	131,992
	166,064	(28,000)	-	134,850	272,914

(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 2012	Fair value $000	Other amortised cost $000	Total carrying amount $000	Fair value $000
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

Group 2011	Fair value $000	Loans and receivables $000	Other amortised cost $000	Available for sale $000	Total carrying amount $000	Fair value $000
Assets						
Cash and cash equivalents	-	216	-	-	216	216
Derivative financial instruments	6,103	-	-	-	6,103	6,103
Trade and other receivables	-	210,266	-	-	210,266	210,266
Other investments	-	(62)	1,290	9,435	10,663	10,663
	6,103	210,420	1,290	9,435	227,248	227,248
Liabilities						
Derivative financial instruments	3,495	-	-	-	3,495	3,495
Trade and other payables	-	-	221,641	-	221,641	221,641
Bank facilities	-	176,694	-	-	176,694	176,694
	3,495	176,694	221,641	-	401,830	401,830

Company 2012	Fair value $000	Other amortised cost $000	Total carrying amount $000	Fair value $000
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

Company 2011	Fair value $000	Loans and receivables $000	Other amortised cost $000	Available for sale $000	Total carrying amount $000	Fair value $000
Assets						
Cash and cash equivalents	-	-	-	-	-	-
Derivative financial instruments	3,077	-	-	-	3,077	3,077
Trade and other receivables	-	347,811	-	-	347,811	347,811
Other investments	-	77	442	-	519	519
	3,077	347,888	442	-	351,407	351,407
Liabilities						
Bank overdraft	-	2,564	-	-	2,564	2,564
Derivative financial instruments	2,858	-	-	-	2,858	2,858
Trade and other payables			131,992	-	131,992	131,992
Bank facilities	-	135,500	-	-	135,500	135,500
	2,858	138,064	131,992	-	272,914	272,914

The fair value of bank facilities are calculated using discounted cash flow models based on the interest rate re-pricing and maturity of the financial assets. Discount rates applied in this calculation are based on current market interest rates for Loans and Advances with similar credit profiles. The fair value of investment in securities is based on quoted market prices, where available, or calculated using discounted cash flow models based on current market rates. The fair value of all financial liabilities is calculated using discounted cash flow models based on the interest rate re-pricing and maturity of the instruments. The discount rate applied in this calculation is based on current market rates.

Classification of financial assets on the date of initial application of NZ IFRS 9 (2009)

The following table summarises the transitional classification and measurements of the Group's financial assets on 1 January 2012, the Group's date of initial application of NZ IFRS 9 (2009)

	Note	Original classification under NZ IAS 39 $000	New classification under NZ IFRS 9 $000	Original carrying amount under NZ IAS 39 $000	New Carrying amount under NZ IFRS 9 $000
Cash and cash equivalents		Loans and receivables	Amortised cost	13,433	13,433
Forward exchange contracts and interest rate swaps not used for hedging		Fair value through profit and loss	Fair value through profit and loss	3,510	3,510
Trade and other receivables		Loans and receivables	Amortised cost	274,579	274,579
Finance receivables		Loans and receivables	Amortised cost	52,844	52,844
Equity Securities *(investment in BioPacificVentures Limited)*	(a)	Available for sale	Fair value through other comprehensive income	(9,575)	(9,575)
Equity Securities *(investment in Heartland New Zealand Limited)*	(a)	Available for sale	Fair value through other comprehensive income	(6,533)	(6,533)

(a) These equity investments are holdings that the Group intends to hold for long-term strategic purposes. Accordingly, the Group has designated these investments at fair value through Other Comprehensive Income from the date of adoption of NZ IFRS 9 (2009).

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 2012.

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Group 2012				
Assets				
Derivative financial instruments	-	3,450	-	3,450
Other investments	7,067	-	8,679	15,746
	7,067	3,450	8,679	19,196
Liabilities				
Derivative financial instruments	-	1,754	-	1,754
	-	1,754	-	1,754
Group 2011				
Assets				
Derivative financial instruments	-	6,103	-	6,103
Other investments	-	-	9,435	9,435
	-	6,103	9,435	15,538
Liabilities				
Derivative financial instruments	-	3,495	-	3,495
	-	3,495	-	3,495
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
Company 2011				
Assets				
Derivative financial instruments	-	3,077	-	3,077
	-	3,077	-	3,077
Liabilities				
Derivative financial instruments	-	2,858	-	2,858
	-	2,858	-	2,858

Interest rates used for determining fair value	2012	2011
Finance receivables	13.6%	11.9%

(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 2012 $000	Group 2011 $000
New Zealand	165,467	164,804
Australia	22,019	17,784
South America	48,826	47,088
United Kingdom	-	333
	236,312	230,009

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.

34 Operating Leases

	Group 2012 $000	Group 2011 $000	Company 2012 $000	Company 2011 $000
Non-cancellable operating lease rentals are payable as follows:				
Within one year	18,793	21,737	14,789	18,854
Between one and five years	42,241	45,903	32,162	41,295
Beyond five years	22,186	31,823	17,238	30,424
	83,220	99,463	64,189	90,573

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, totalling $1.110 million (2011: $1.332 million).

35 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.

36 Commitments

	Group 2012 $000	Group 2011 $000
There are commitments with respect to:		
Capital expenditure not provided for	1,378	183
Commitments to extend credit (PWF)	-	51,765
Investment in BioPacific Ventures	976	1,412
Purchase of land - Corson Grain	1,800	1,800
	4,154	55,160

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 2012 $13.024 million has been drawn on the committed level of investment (2011: $12.588 million), which is included in other investments.

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.

37 Contingent Liabilities

	Group 2012 $000	Group 2011 $000
There are contingent liabilities with respect to:		
Guarantees	44,273	20,978
PGG Wrightson Loyalty Reward Programme	122	416
PGG Wrightson Finance Limited	-	1,500
	44,395	22,894

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 2012 was approximately $29.00 million (subsequently reduced to approximately $23 million). The guarantee is contingent upon individual loans becoming impaired and put back to PGW 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 American Express card (currently being transitioned to the new 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.
No losses are expected to arise from these contingent liabilities.

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 initiatives implemented to meet the supply targets.

There are no contingent liabilities relating to investments in associates.

38 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

	Group 2012 $000	Group 2011 $000
Key management personnel compensation comprised:		
Short-term employee benefits	5,234	4,956
Post-employment benefits	31	-
Termination benefits	704	3,342
Other long-term benefits	-	-
Share-based payments	-	-
	5,969	8,298

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 2012 $000	Balance Outstanding 2012 $000	Transaction Value 2011 $000	Balance Outstanding 2011 $000
Michael Thomas (resigned August 2011)	Debenture and rural saver deposits*	-	-	1,208	1,567
Bill Thomas	Purchase of retail goods	659	46	-	-
John McKenzie	Purchase of retail goods, sale of seed under production contracts and livestock transactions	2,564	34	1,940	9
Sir Selwyn Cushing	Purchase of retail goods, debentures and secured deposits*	1	-	(124)	4,225
Nigel Thorpe	Purchase of retail goods and livestock transactions	83	1	-	-
Stephen Guerin	Purchase of retail goods	1	-	-	-
George Gould	Purchase of retail goods	117	1	91	8

*Comparatives include balances and transactions with PGG Wrightson Finance Limited sold on 31 August 2011.

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.

Other Related Party Transactions	Transaction Value 2012 $000	Balance Outstanding 2012 $000	Transaction Value 2011 $000	Balance Outstanding 2011 $000
Sale of goods and services				
NZFSU - Management and Investor Services	-	-	1,666	-

In July 2010 the Group sold its investment in NZFSU.

Management fees from Subsidiaries

During the financial year, the Company paid management fees to the subsidiary below. These management fees were eliminated on consolidation.

	2012 $000	2011 $000
Agriculture New Zealand Limited	-	2,750
Agri-feeds Limited	-	10,000
PGG Wrightson Seeds Limited	-	15,000
PGW Rural Capital Limited	(7,000)	-
PGG Wrightson Funds Management Limited	-	19,057
	(7,000)	46,807

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.

39 Events Subsequent to Balance Date

Agri-feeds Limited Joint Venture

The Group announced on 6 August 2012 that Agri-feeds Limited had entered into an incorporated joint venture in respect of the molasses liquid feed business which is to commence from 1 August 2012. This transaction involved the Group divesting certain assets including intangibles from Agri-feeds into the joint venture company, 4Seasons Feeds Limited, which will create a molasses supply chain that will import, transport and distribute molasses through the former Agri-feeds channel. Agri-feeds is included in the AgriTech segment for reporting purposes. The Group is evaluating the potential financial impact of the asset sale transaction. Such impact is not expected to be significant to the Group's 2013 results.

Acquisition of PGG Wrightson Finance Loans

In January 2012 the Group anticipated that it would acquire two loans pursuant to the Heartland guarantee referred to in Note 37 totalling approximately $9.5 million. One of these loans has since been substantially repaid and the Company's guarantee obligations extinguished in respect of that loan. The Group may yet acquire the other loan of approximately $3.4 million if the loan is not repaid prior to 31 March 2013.

KPMG

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 32. The financial statements comprise the statements of financial position as at 30 June 2012, 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'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'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.

KPMG

Opinion

In our opinion the financial statements on pages 1 to 32:

- 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 2012 and of the financial performance and cash flows of the company and the group for the year then ended.

Emphasis of matter

We draw attention to Note 26 to the financial statements which describes the assumptions used to determine the value in use in order to support the carrying value of goodwill as at 30 June 2012, and the sensitivity of key assumptions for which there is a reasonable possibility of change that would cause the carrying amount of goodwill to exceed its recoverable amount. Our opinion is not qualified in respect of this matter.

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.

21 August 2012
Christchurch