Smiths City Group

Annual Report

Year Ending 30 April 2015

Contents

Company Directory

Directors and Officers

Chairman	Craig David Boyce
Deputy Chairman	John Allen Dobson
Directors	Gary Raymond Rohloff Sheena Moana Henderson Richard Hellings (retired as Director 29.5.15)
Managing Director	Richard Hellings (retired as Managing Director 30.4.15)
Chief Executive Officer	Roy James Campbell (appointed 1.5.15)

Registered Office

550 Colombo Street
Christchurch 8011

Bankers

ANZ Bank of New Zealand Limited
PO Box 220
Christchurch 8140

Auditors

KPMG
Level 3, 62 Worcester Boulevard
PO Box 1739
Christchurch 8140

Share Registrars

Link Market Services Limited
Level 16, Brookfields House
19 Victora Street West
P O Box 91976
Auckland 1142
Telephone 093755990

Address for Communication

POSTAL	PO Box 2343, Christchurch
TELEPHONE	03 983 3000
FACSIMILE	03 983 3031
EMAIL	group@smithscity.co.nz
WEBSITE	www.smithscitygroup.co.nz

Trend Statement

	2011 ($m)	2012 ($m)	2013 ($m)	2014 ($m)	**2015 ($m)**
GROUP FINANCIAL PERFORMANCE					
Operating Revenue	**220.7**	**222.5**	**222.5**	**220.0***	**221.4**
Profit Before Taxation	1.9	3.9	6.3	**4.7**	**9.3**
Add / (Deduct) Taxation Credit / (Expense)	-	0.5	(0.9)	**(0.6)**	**(1.3)**
Profit After Income Tax	1.9	4.4	5.4	**4.1**	**8.0**
GROUP FINANCIAL POSITION					
Assets					
Total Trading Assets	80.0	74.3	70.7	**78.7**	**79.8**
Finance Company Assets	82.7	81.9	77.5	**73.0**	**69.9**
Total Assets	**162.7**	**156.2**	**148.2**	**151.7**	**149.7**
Deduct Liabilities					
Total Trading Liabilities	47.1	44.8	45.0	**48.4**	**42.7**
Finance Company Liabilities	75.2	74.5	62.8	**60.3**	**57.4**
Total Liabilities	**122.3**	**119.3**	**107.8**	**108.7**	**100.1**
Net Group Assets	**40.4**	**36.9**	**40.4**	**43.0**	**49.6**
Total Trading Assets (As Above)	80.0	74.3	70.7	**78.7**	**79.8**
Net Finance Company Assets					
Receivables	81.9	80.8	76.7	**72.0**	**68.7**
Bank	0.8	1.1	0.8	**1.0**	**1.2**
Deduct Borrowings	(75.2)	(74.5)	(62.8)	**(60.3)**	**(57.4)**
Net Investment In Finance Company	7.5	7.4	14.7	**12.7**	**12.5**
Total Assets	87.5	81.7	85.4	**91.4**	**92.3**
Deduct Total Trading Liabilities (As Above)	47.1	44.8	45.0	**48.4**	**42.7**
Net Group Assets With Finance Company As An Investment	**40.4**	**36.9**	**40.4**	**43.0**	**49.6**
Key Ratios					
Net Profit Before Tax To Operating Revenue	0.9%	1.7%	2.8%	**2.1%**	**4.2%**
Net Profit After Tax To Operating Revenue	0.9%	2.0%	2.4%	**1.9%**	**3.6%**
Net Profit After Tax To Opening Net Assets	4.8%	10.9%	14.6%	**10.1%**	**18.6%**
Earnings Per Share – cents	3.57	8.28	10.21	**7.70**	**15.2**
Shareholders' Funds To Total Assets	24.8%	23.6%	27.3%	**28.3%**	**33.1%**
Shareholders' Funds To Assets With Finance Company As An Investment	46.2%	45.2%	47.3%	**47.0%**	**53.7%**
SUMMARY OF RETURNS TO SHAREHOLDERS					
Net Dividend Per Share - cents	2.00(1)	3.50(1)	3.50(1)	**3.50(1)**	**3.50(1)**
Imputation Credits - cents	0.00	0.00	0.00	**0.00**	**0.00**
Gross Dividend Per Share - cents	2.00	3.50	3.50	**3.50**	**3.50**
30 April Share Price - cents	32	49	59	**56**	**56**
Gross Dividend Yield Based on 30 April Share Price	6.25%	7.14%	5.93%	**6.25%**	**6.25%**

(1) Dividend paid without imputation credits

*Restated to be consistent with the current year

Company Profile

Corporate Structure

Smiths City Group Limited, based in Christchurch, is listed on the New Zealand Stock Exchange and has approximately 1,400 shareholders.

It is the parent of a number of subsidiary registered companies covering the range of business activities that the company engages in.

The Group was founded in Christchurch in 1918 and continues to occupy the same site in Colombo Street.

The Group is active in three complementary industry segments – retail, property and consumer finance. It employs approximately 630 full-time and 68 part-time staff.

Retail

Brands

The Group places importance on maintaining significant market share across a portfolio of consumer goods, designed to achieve an appropriate balance between lower-margin categories which drive foot-traffic, and other higher-margin product categories. The Group utilises the integrated nature of its retail/consumer finance model to take advantage of add-on sales and additional income streams where possible.

Many of New Zealand's best-known brands are promoted in-store and on-line by the Group, including Sleepyhead, Fisher & Paykel and Cavalier Bremworth, along with international brands such as LG, Beko, Haier, Samsung, Panasonic, Hewlett Packard, Acer, Electrolux, Mitsubishi Electric and Bosch.

The Group maintains a competitive position on market pricing and is one of the country's leading mass media advertisers.

The Group's own brands of Smiths City, Powerstore and L V Martin are widely recognised throughout the New Zealand retail market and within the retail industry and enjoy very significant 'top-of-mind' recall in their home markets.

The Customer Experience

The Group strives to provide a customer experience which is second to none in terms of quality goods, knowledgeable staff and outstanding in-store service. In addition, the Group continues to offer a 'full-service retail' model through the complementary services of home delivery and installation, and flexible finance options provided through the Group's own finance company.

Lifestyle Stores – Smiths City

The Smiths City chain retails kitchen and laundry appliances, consumer electronics, indoor and outdoor furnishings, bedding, heating and flooring products for the home and also includes sports departments, focussing on outdoor activities such as cycling, kayaking and fishing in many of its stores. Smiths City is the largest and oldest brand in the Group providing over 75% of the Group's retail turnover.

The chain comprises 17 stores in the South Island and 10 in the North Island, all trading under the Smiths City name. There are also four Clearance Centres retailing a full range of affordable new product together with used and second hand items and two high-end furniture retail stores trading in Christchurch and Queenstown under the brand Furniture Concepts.

An experienced and focused purchasing and marketing team has resulted in Smiths City having significant market share in a number of product categories identified as strategically important.

In addition to sourcing furniture from New Zealand manufacturers and distributors, the company operates a substantial import program handling approximately 600 containers per annum through its national Distribution Centre located in Christchurch.

Specialist Appliance Chain – Powerstore and L V Martin

The Group has operated standalone appliance only stores since 1997 trading as Powerstore.

L V Martin, a Wellington based appliance chain, was acquired from the Martin family in 2004.

The appliance only stores sell a full range of kitchen appliances, home entertainment and computer products specialising in well-known brands including Fisher & Paykel, Samsung, L G, Panasonic, Hewlett Packard, Acer and Mitsubishi Electric.

Both Powerstore and LV Martin add scale to the Group's appliance buying and provide a point of difference to the larger format department stores, who sell similar products in the midst of other product ranges.

However, results from the appliance category have been disappointing and in particular the performance of several specialist appliance only stores.

Consequently the Group has endeavoured to reduce risk in this area by closing under performing stores and focussing on the Group's standalone appliance retailing in a smaller number of key locations.

On-Line Strategy

The use of the internet is widely recognised as a developing medium for retail and the Group regards the web as an important tool for sales growth in the future. The Group has recently completed the first stage of a modernisation programme for its online platform, and continues to invest in this increasingly important area.

Appliance Servicing - Alectra

Alectra provides expert advice and qualified trades people for the installation and repair of kitchen and laundry goods, as well as home heating products sold by the Group.

Alectra has built a reputation for providing professional and quality work and services a large customer base including many outside the Group's own retail network.

Finance

Consumer finance plays a significant part in the Group's full-service model, not only as part of an integrated customer offering but also from a profitability perspective. The Group's management and day-to-day control of the consumer finance ledger provides a unique opportunity to build strong customer relationships and brand loyalty.

The finance business of the Group is divided into three parts – point-of-sale finance through secured fixed instalment or revolving credit customer accounts; the provision of unsecured personal loans to customers with a proven credit history; and a small trade finance ledger to businesses where the Group sees an opportunity to add value.

As at 30 April 2015 the consumer finance ledger value was approximately $68.7million and borrowing against the portfolio was approximately $57.4million. There were approximately 56,600 active accounts at that time.

The ledger is funded through a bulk funding facility with ANZ Bank New Zealand Limited and consequently, the finance business does not raise money from the general public.

Property

Prime locations and superior store presentation are critical to the success of any retail organisation.

The Group has now completed all quake-related repairs of its key Colombo Street, Christchurch site, the buildings of which were substantially damaged in the February 2011 earthquake. The final stage of the building repair was completed to increase the retail footprint close to pre-earthquake levels. The Group continues to place strategic importance on occupancy of this site, having operated from the Colombo St premises since 1918.

The Group's Administration office continues to operate from premises in Watts Road, Sockburn, Christchurch.

The Group's property company is used to undertake developments for the retail business when appropriate opportunities arise.

Subsidiary Company

The Group owns the Bauer brand of bicycles. As a key part of its distribution strategy for this brand the Group owns 65% of Adventure Brands. It is an importer and wholesaler of bicycles and fitness equipment.

Appliance Buying

The Group is a founding member of the New Zealand appliance buying group NARTA. Membership of this buying group has yielded significant benefits within the highly competitive appliance market.

Directors Report

Summary Of Financial Performance

The audited operating surplus after taxation for the 12 months to 30 April 2015 was $8.0m (last year $4.1m), an increase of 98%. However, profit from operations before interest and deferred tax decreased by 54%.

Operating revenues for the 12 months were $221.4m (last year $220.0m).

The summary of consolidated results is as follows.

	2015 ($m)	2014 ($m)	%
Revenue	**221.4**	220.0	1%
Trading Profit	**2.6**	5.6	-54%
Other Income *	**8.5**	0.5	1600%
Group Interest Paid			
– Excluding Finance Business	**(1.8)**	(1.4)	28%
Profit Before Taxation	**9.3**	4.7	98%
Deferred Taxation (No Income Tax Payable)**	**(1.3)**	(0.6)	117%
Profit For The Year	**8.0**	4.1	95%

* *Other income includes insurance proceeds of $8.523million received for the Colombo Street property. The costs associated with the Stage 2 rebuild have been added to the value of the property. This treatment is consistent with that applied last year.*

** *The deferred tax charge for the current period takes into account temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes together with the movement in the company's estimates of future taxable profits on the basis these can be offset against the tax losses available. Smiths City has available carry forward tax losses of $7million, hence no income tax is payable*

The Directors have declared an unimputed final dividend of 2.5cents per share (last year 2.5cents) to be paid on Friday 14 August 2015. The dividend will be paid to those shareholders on the Share Register at 5.00pm Friday 7 August 2015.

When added to the 1.0cent interim dividend paid in February 2015 this brings the dividend to 3.5cents for the full year (last year 3.5cents).

Results

The final insurance settlement was used to reduce debt. As a result, the net asset backing increased from 78cents to 90cents per share.

Secondly, the level of borrowing has reduced from $22.6million to $16.1million.

Net cash flow operations (excluding the insurance settlement) has increased from $3.1million to $4million.

The comparison of operating surplus after taxation to last year is affected by the timing of the receipt of insurance payments related to Colombo Street.

Consequently comparing the profit from operations before interest and tax is a more meaningful measure of performance.

While the retail environment remains challenging, we are pleased that Smiths City has broadly held revenues when compared to last year. Sales on a same stores basis increased 2.5% on last year when the closure during the year of 4 "appliance only" stores is taken into account. This gives us the confidence to expand our offer through the addition of a new store in Taupo that will open in October 2015. This is consistent with our stated desire to broaden our offering through the North Island to rebalance our revenues across New Zealand. We will continue to seek and identify market opportunities during the year ahead.

The South Island market post-Christmas was weaker than last year due to lower confidence in the rural and provincial areas arising from the east coast drought and lower farm product prices. This is likely to impact our South Island sales line during the year ahead.

We maintained market share in our core categories and continued to improve returns through emphasising the home furnishing and white ware categories of our retail business.

Sales and margin pressure continue with fierce competition in the computer and consumer electronics segment with subsequent margin erosion as a result. Price deflation continued in the computer and communication products but has stabilised in consumer electronics with likely price increases in the period ahead due to the weakening NZ$.

In the last 12 months the company closed four standalone appliance stores (Powerstore Riccarton and Richmond and the LV Martin Lower Hutt and Kapiti Stores).

Within the Smiths City stores the Group will seek to increase profit by concentrating on increasing sales in furniture, bedding and kitchen appliances whilst reducing its exposure to less profitable product sectors.

The company continues to assess growth opportunities in the North Island – both from its existing stores and from opening new stores. As part of this process the company relocated both the Rotorua and Palmerston North stores to improved locations in their respective cities at the same time putting increased floor space into those product sets considered strategically important.

Looking ahead the Directors have tasked Roy Campbell, the new Chief Executive Officer, with the immediate objective of improving returns from our retail operations. To this end the company is continuing the review of its supply chain. This review has particular relevance to the multi brand and service offering currently part of Smiths City.

Priorities

The company remains committed to expanding its operations to enable it to take advantage of a national media strategy as well as the benefits of a strong on-line presence.

To this end the company will continue to actively investigate all options for growth.

As part of this strategy the company is committed to providing a true omni-channel product offering and late last year successfully launched its re-designed website and social media offering.

Alongside these strategies the Board and management's immediate objective is to improve results across all our existing retail operations and, particularly, to turn around any considered to be underperforming.

The current result from the retail operations are not where the Board and management want it to be.

Where we direct our promotional budget will be a key factor in how successfully this is executed.

Colombo Street Property

When reviewing the balance sheet it will be seen that the Colombo Street, Christchurch property has been revalued based on an independent valuation from Colliers Valuation. This has further strengthened the balance sheet with the revaluation being in addition to the costs of completing the repair and rebuild work on the property.

Completion of this project has brought the store's retail footprint back to its pre-earthquake size but with enhanced quality.

The Directors have engaged Colliers International to investigate market interest in the Colombo Street property, including the possible sale and leaseback of the property. Any sale or action resulting from this initiative would ultimately be subject to shareholder approval of Smiths City as a material transaction of Smiths City Group.

The location remains a core strategic store for the Group and there are no plans to relocate from the site.

Smiths City Finance

Earlier this calendar year the Group re-branded its Finance company to Smiths City Finance Limited as a first step in a strategy to increase the profile and ultimately the size of the Finance business, reflecting the importance of Consumer Finance to the Groups integrated "Full Service Retail" model.

Smiths City Finance Limited also signed a three year agreement with All Black Kieran Read to act as its brand ambassador.

Directors and CEO

The Board of Smiths City Group announced late last year that our Managing Director for the last 15 years – Rick Hellings – was stepping down and as a result a search process commenced.

We were pleased to announce the appointment of Roy Campbell as Chief Executive Officer. Roy started on 1st May 2015.

Rick Hellings resigned as a Director at the end of May. The Board of Directors wishes to acknowledge the significant contribution Rick has made to the business during his 15 years as Managing Director and in particular in overcoming all the difficulties associated with the 2011 Christchurch earthquakes

In December the company welcomed Sheena Henderson to the Board as a replacement for Sarah Ottrey. Having served in senior executive positions with a particular focus on marketing, Sheena has brought unique marketing skills to the business and an opportunity to promote the Smiths City brand.

Management and Staff

On behalf of the Board of Directors I once again wish to acknowledge every one of the staff of the Smiths City Group and their part in our performance. Their loyalty and contribution is sincerely appreciated.

Included in this Annual Report are the names of all those staff that were part of the Group at May 2015.

Outlook

The overall economic outlook is uncertain. Whilst Canterbury continues to show some growth the impact of the falling dairy pay out may have some effect on demand in the rural sector.

We have already seen reduced spending in provincial centres like Ashburton, Timaru, Oamaru, West Coast and Otago.

However, farming other than dairy, particularly with the weaker NZ dollar should improve and this will be reflected in better confidence in the provinces as we head into the spring and summer months.

At Smiths City we need to adapt our business and trading to the demand, with a focus on cost and working capital reduction.

Whilst we have not seen this yet our feeling is that large segments of the rural sector are better placed to handle these conditions than may have been the case in the past.

Our Suppliers; Our Customers

We also take this opportunity to acknowledge the efforts of all our suppliers, and not least, our customers and shareholders for their continued support of the company.

C D BOYCE
CHAIRMAN

J A DOBSON
DEPUTY - CHAIRMAN

Financial Information

Smiths City Group Limited

Income Statement

For The Year Ended 30 April 2015

	NOTE	GROUP 2015 ($m)	2014 ($m)
Revenue	7	**221.4**	220.0
Trading Profit	8	**2.6**	5.6
Other Income	9	**8.5**	0.5
Group Interest Paid – Excluding Finance Business	10	**(1.8)**	(1.4)
Profit Before Taxation		**9.3**	4.7
Taxation	11	**(1.3)**	(0.6)
Profit For The Year		**8.0**	4.1
Earnings Per Share For Profit Attributable To Equity Holders:			
Basic and Diluted Earnings Per Share (cents)	23	**15.2**	7.7

Statement Of Comprehensive Income

For The Year Ended 30 April 2015

	NOTE	GROUP 2015 ($m)	2014 ($m)
Profit For The Year		**8.0**	4.1
Other Comprehensive Income			
Items that may be Reclassified Subsequently to Profit or Loss			
Revaluation Of Land And Buildings		**0.7**	-
Cash Flow Hedges – Fair Value Gains/(Losses) Taken To Cash Flow Hedge Reserve	21	**(0.4)**	0.1
Cash Flow Hedges - Deferred Tax	18	**0.1**	-
Total Other Comprehensive Income		**0.4**	0.1
Total Comprehensive Income For The Period Attributable To Members Of The Company		**8.4**	4.2

Statement Of Changes In Equity

For The Year Ended 30 April 2015

	SHARE CAPITAL ($m)	REVALUATION RESERVES ($m)	HEDGING RESERVES ($m)	OTHER RESERVES ($m)	RETAINED EARNINGS ($m)	TOTAL EQUITY ($m)	NON CONTROLLING INTEREST ($m)	TOTAL EQUITY ($m)
GROUP								
Balance 1 May 2013	10.7	2.3	(0.5)	0.1	27.8	40.4	-	40.4
Profit For The Year	-	-	-	-	4.1	4.1	-	4.1
Cash Flow Hedges – Fair Value Gains/ (Losses) Taken To Cash Flow Hedge Reserve	-	-	0.1	-	-	0.1	-	0.1
Total Comprehensive Income For Period	-	-	0.1	-	4.1	4.2	-	4.2
Non Controlling Interest in Subsidiary	-	-	-	-	-	-	0.4	0.4
Subtotal	10.7	2.3	(0.4)	0.1	31.9	44.6	0.4	45.0
Dividends Paid	-	-	-	-	(2.0)	(2.0)	-	(2.0)
Balance 30 April 2014	**10.7**	**2.3**	**(0.4)**	**0.1**	**29.9**	**42.6**	**0.4**	**43.0**
Profit For The Year*	**-**	**-**	**-**	**-**	**8.2**	**8.2**	**(0.2)**	**8.0**
Revaluation Of Propety	**-**	**0.7**	**-**	**-**	**-**	**0.7**	**-**	**0.7**
Cash Flow Hedges – Fair Value Gains/ (Losses) Taken To Cash Flow Hedge Reserve	**-**	**-**	**(0.4)**	**-**	**-**	**(0.4)**	**-**	**(0.4)**
Cash Flow Hedges – Deferred Tax	**-**	**-**	**0.1**	**-**	**-**	**0.1**	**-**	**0.1**
Total Comprehensive Income For Period	**-**	**0.7**	**(0.3)**	**-**	**8.2**	**8.6**	**(0.2)**	**8.4**
Subtotal	**10.7**	**3.0**	**(0.7)**	**0.1**	**38.1**	**51.2**	**0.2**	**51.4**
Dividends Paid	**-**	**-**	**-**	**-**	**(1.8)**	**(1.8)**	**-**	**(1.8)**
Balance 30 April 2015	**10.7**	**3.0**	**(0.7)**	**0.1**	**36.3**	**49.4**	**0.2**	**49.6**

* Profit for the year includes the non controlling interest in a subsidiary for the current period

Statement Of Financial Position

As At 30 April 2015

	NOTE	2015 ($m)	2014 ($m)
CURRENT ASSETS			
Cash And Cash Equivalents	12	**1.9**	1.9
Finance Business Cash And Cash Equivalents	12	**1.2**	1.0
Trade And Other Receivables	13	**10.9**	11.6
Finance Business Receivables – Current Portion	15	**40.6**	42.6
Inventories	14	**42.3**	43.0
TOTAL CURRENT ASSETS		**96.9**	100.1
NON CURRENT ASSETS			
Finance Business Receivables - Term Portion	15	**28.1**	29.4
Property, Plant And Equipment	16	**20.7**	17.5
Intangible Assets	17	**2.1**	1.7
Deferred Taxation	18	**1.9**	3.0
TOTAL NON CURRENT ASSETS		**52.8**	51.6
TOTAL ASSETS		**149.7**	151.7
CURRENT LIABILITIES			
Trade And Other Payables Including Derivatives	19	**26.6**	25.8
Secured Borrowings	20	**6.0**	12.5
TOTAL CURRENT LIABILITIES		**32.6**	38.3
FINANCE BUSINESS NON CURRENT BORROWINGS	20	**57.4**	60.3
OTHER NON CURRENT LIABILITIES			
Secured Borrowings	20	**10.1**	10.1
TOTAL LIABILITIES		**100.1**	108.7
NET ASSETS		**49.6**	43.0
SHAREHOLDERS' FUNDS			
Share Capital	21	**10.7**	10.7
Revaluation Reserve	21	**3.0**	2.3
Other Reserves	21	**(0.6)**	(0.3)
Retained Earnings		**36.3**	29.9
		49.4	42.6
Non Controlling Interest	26	**0.2**	0.4
TOTAL EQUITY		**49.6**	43.0
Net Tangible Assets Per Share (cents)		**90.16cents**	78.40cents

C D BOYCE
CHAIRMAN

J A DOBSON
DEPUTY - CHAIRMAN

Dated 29th June 2015

Statement Of Cash Flows

For The Year Ended 30 April 2015

	NOTE	GROUP 2015 ($m)	2014 ($m)
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH WAS PROVIDED FROM:			
Receipts From Customers		**211.3**	206.6
Interest Received – Finance Business		**6.9**	6.9
Interest Received – Other		**0.1**	-
Total Cash Flows From Operating Activities		**218.3**	213.5
CASH WAS APPLIED TO:			
Payments To Suppliers And Employees		**(208.3)**	(205.0)
Interest Paid – Finance Business		**(4.2)**	(4.0)
Interest Paid - Bank And Other		**(1.8)**	(1.4)
Total Cash Flows Applied To Operating Activities		**(214.3)**	(210.4)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		**4.0**	3.1
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH WAS PROVIDED FROM:			
Insurance Receipts for Property		**8.5**	0.5
Repayment Of Advances From Customers		**3.2**	4.7
Disposal of Property		**0.6**	-
Total Cash Flows From Investing Activities		**12.3**	5.2
CASH WAS APPLIED TO:			
Purchase Of Property, Plant And Equipment		**(4.9)**	(2.5)
Total Cash Flows Applied to Investing Activities		**(4.9)**	(2.5)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		**7.4**	2.7
CASH FLOWS FROM FINANCING ACTIVITIES			
CASH WAS PROVIDED FROM:			
Receipt Of Loan To Fund Working Capital		**-**	0.2
Total Cash Flows From Financing Activities		**-**	0.2
CASH WAS APPLIED TO:			
Repay Advances To Fund Finance Receivables		**(2.9)**	(2.5)
Repay Borrowings		**(6.5)**	-
Dividends Paid		**(1.8)**	(2.0)
Total Cash Flows Applied To Financing Activities		**(11.2)**	(4.5)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		**(11.2)**	(4.3)
Net Inflow/(Outflow) In Cash And Cash Equivalents Held		**0.2**	1.5
Cash And Cash Equivalents At Beginning Of Period	12	**2.9**	1.4
Cash And Cash Equivalents At End Of Period	12	**3.1**	2.9

Statement Of Cash Flows (continued)

For The Year Ended 30 April 2015

	NOTE	GROUP 2015 ($m)	2014 ($m)
RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES			
Profit Per Accounts		**9.3**	4.7
Less Insurance Receipts For Property Reflected In Investing Activities		**(8.5)**	(0.5)
Add Depreciation; Amortisation And Impairment		**1.4**	1.5
		2.2	5.7
Add/(Deduct) Movements In Working Capital			
Add Decrease (Deduct Increase) Receivables		**0.7**	(2.0)
Add Decrease (Deduct Increase) Inventories		**0.7**	(4.1)
Add Increase (Deduct Decrease) Accounts Payable And Provisions		**0.4**	3.5
Movements In Working Capital		**1.8**	(2.6)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		**4.0**	3.1

Notes To The Financial Statements

1) Reporting Entity

Smiths City Group Limited ("the company") is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange ("NZX"). The company is an issuer in terms of the Financial Reporting Act 2013.

Smiths City Group Limited is primarily involved in the retailing of consumer electronic products, kitchen appliances, home heating solutions, home furnishings and sporting goods together with the provision of finance to support the retailing operations. In addition the Group also develops and owns retail property.

2) Basis Of Preparation

a) Statement of Compliance

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with the New Zealand equivalent to International Financial Reporting Standards ("NZIFRS") and other applicable Financial Reporting Standards, as appropriate, of profit oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on 29 June 2015.

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

i) Derivative financial instruments are measured at fair value.

ii) Land and buildings are measured at fair value less subsequent depreciation for buildings.

The methods used to determine fair values are discussed further in Note 5.

c) Functional and Presentation Currency

The financial statements are presented in New Zealand dollars ($) which is the functional currency of the Group. All financial information presented in New Zealand dollars has been rounded to the nearest million unless otherwise stated.

d) Use of Estimates and Judgements

The preparation of financial statements 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.

The areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:

» Smiths City Finance ("Finance Business") receivables are initially recognised in accordance with accounting policy 3d(i).

Unearned income on fixed instalment contracts is recognised when these contracts are assessed as likely to become interest bearing. This involves judgement on the probability that contracts will enter an extended interest bearing period. This assessment is based on historical data. Accordingly, advance releases from unearned income are calculated on this basis and assessed regularly by management.

» Approximately the next two years budgeted profits are considered in the calculation of the deferred tax asset to be recognised on the basis it is probable that future taxable profits will be available against which they can be utilised. Budgets together with a Five Year Plan approved by the Board support this judgement. Further information in respect of the carrying value of the deferred taxation asset is disclosed in Note 18.

» The impairment testing of property, plant and equipment and intangible assets requires management's assessment of the existence of the indicators of impairment at each reporting date and where the indicators exist, management determines the recoverable amount of the asset. In the case of impairment testing of indefinite life intangible assets, impairment testing procedures involve the use of management cash flow projections and key assumptions as described in Note 17.

» The valuation of land and buildings is described in Note 16.

» The impairment of finance receivables is based on management's assessment of any objective evidence of impairment on an individual and collective basis, which takes into account the historical loss experience in the portfolio of finance receivables as described in Note 24.

» A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Board of Directors regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, they assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are addressed by the Board of Directors.

When measuring the fair value of an asset or a liability the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 16 – Property, Plant and Equipment

Note 24 – Financial Instruments

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

e) Segment Reporting

An operating segment is a component of an entity that engages in business activities which earns revenue and incurs expenses and for which the chief operating decision maker (CODM) reviews the operating results on a regular basis and makes decisions on resource allocation. The Group has determined its CODM to be the Chief Executive Officer on the basis that it is him who determines the allocation of resources to segments and assess their performance.

The reportable operating segments of the Group have been determined based on the components of the Group that the CODM monitors in making decisions about operating matters. Such components have been identified on the basis of internal reports that the CODM reviews regularly in order to allocate resources and to assess the performance of the entity.

The Group is organised into three reportable segments, namely retail, the financing of retail sales, and property, reflecting the different sectors solely in New Zealand, within which the Group operates. The corporate structure of the Group also reflects these segments.

3) Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

a) Basis of Consolidation

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii) 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.

b) Foreign Currency Transactions

Transactions in foreign currencies are converted to NZD at exchange rates at the dates of the transactions unless the transactions are hedged by foreign currency derivative instruments. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. All exchange gains and losses are recognised in the income statement in the period that they arise, except for qualifying cash flow hedges, which are recognised in other comprehensive income.

c) Impairment

The carrying amounts of the Group's property, plant and equipment, intangible assets and subsidiaries and financial assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment, except that indefinite life intangible assets are tested annually and when impairment indicators exist.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses directly reduce the carrying amount of assets and are recognised in the income statement.

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.

For Finance Business and trade receivables which are not significant on an individual basis, impairment is assessed on a portfolio basis and taking into account the historical loss experience in portfolios with a similar number of days overdue.

d) Financial Instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are no longer recognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date – i.e: the date that the Group commits itself to purchase or sell the asset. Financial liabilities are no longer recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

i) Non Derivative Financial Instruments

Non derivative financial instruments comprise Finance Business receivables, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. All non derivative financial instruments are initially recognised at fair value.

Finance Business Receivables

Subsequent to initial recognition, Finance Business receivables are measured at amortised cost using the effective interest method, less any impairment losses.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Trade and Other Receivables

Trade and other receivables are recognised at cost less impairment losses.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. 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 for the purpose of the statement of cash flows.

Loans and Borrowings

Loans and borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Trade and Other Payables

Trade and other payables are stated at cost and the amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. These amounts are unsecured with the exception of those payables for which the supplier has a security interest over the inventory to which it relates and are usually paid within 60 days of recognition.

ii) Derivative Financial Instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities.

Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued.

Derivatives that do not qualify for hedge accounting are accounted for as trading instruments and are recognised initially at fair value. Any gain or loss on remeasurement to fair value is recognised immediately in the income statement.

e) Property, Plant and Equipment

i) Recognition and Measurement

Land and Buildings are shown at fair value less subsequent depreciation for buildings. Fair value is determined by external independent valuers.

Other classes of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

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.

ii) Subsequent Costs

The costs of the day to day servicing of property, plant and equipment are recognised in the income statement as incurred.

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.

iii) Depreciation

Depreciation is recognised in the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The depreciation methods for the current and comparative periods are as follows:

» Buildings	1% straight line
» Leasehold Improvements	12.5% - 50% straight line
» Office and computer equipment	10% - 20% straight line

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

f) Intangible Assets

i) Indefinite Life Intangible Assets

Indefinite Life Intangible Assets comprising purchased brands and trade names are initially measured at cost. Cost being the purchase price of the brands and trade names. On an annual basis, the recoverable amount of the brand is determined based on value in use calculations specific to the cash generating units associated with that brand.

ii) Definite Life Intangible Assets

Definite Life Intangible Assets comprising acquired customer databases and computer software applications are capitalised on the basis of the costs incurred to acquire the customer database and bring to use the specific software. These costs are amortised on a straight line basis over their estimated useful lives.

Computer software development costs recognised as assets are amortised on a straight line basis over their estimated useful lives.

The estimated useful lives for the current and comparative periods are as follow:

» Customer databases	20 years
» Computer software applications	5 years
» Development costs	5 years
» Websites	5 years

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the software development employee costs.

g) Leased Assets

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight line basis over the term of the lease.

h) Inventories

Inventories are measured at the lower of cost and net realisable value and are recorded net of all volume rebates and settlement discounts. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing locations and condition being the acquisition cost, freight, duty and other inward charges. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

i) Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of resources will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

k) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. 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. Retail sales are recognised when the Group sells a product to the customer. Where such products are required to be installed, sales revenue is recognised when the product is installed.

Proceeds from insurance claims are recognised when the Group has the right to receive the proceeds.

l) Finance Income

Finance income comprises income on Finance Business receivables and interest income on funds invested.

Income on Finance Receivables
Income on finance receivables is recognised using the effective interest method calculated on the net amount outstanding. The effective interest rate is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset.

The calculation of the effective interest rate includes all fees that are integral to the effective interest rate. All fees except those charged to customers accounts in arrears are considered to be integral to the effective interest rate. Fees charged to customer accounts in arrears are recognised as income at the time the fees are charged.

Income of Finance Business finance receivables is included as part of revenue – refer Note 7.

Interest Income on Funds Invested

Interest income is recognised on a time proportionate basis using the effective interest method, which takes into account the effective yield on the financial asset.

m) Finance Expenses

Finance expenses comprise interest expense on borrowings, foreign currency losses, impairment losses recognised on financial assets (except for trade receivables) and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method. Note that Finance Business interest expense is included as part of Trading Profit – refer Note 10.

n) Income Tax Expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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 in respect of previous years.

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 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 substantively enacted by 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 realised.

o) Goods and Services Tax (GST)

The income statement and statement of cash flows have been prepared exclusive of GST. All items in the balance sheet are stated net of GST with the exception of trade and finance receivables and trade payables, which include GST invoiced.

p) Deferred Landlord Contributions

Landlord contributions to fit out costs are capitalised as deferred contributions and amortised to the income statement over the initial period of the lease.

q) 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 ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

r) New Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2014, as described in those annual financial statements.

s) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 30 April 2015 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

NZ IFRS15 Revenue from Contracts with Customers

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other NZ IFRS.

The Company intends to adopt NZ IFRS 15 in its financial statements for the annual period beginning on 1 January 2017. The Company does not expect the standard to have a material impact on the financial statements.

NZ IFRS9 Financial Instruments (2014)

NZ IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under NZ IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

NZ IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognise ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship.
Special transitional requirements have been set for the application of the new general hedging model.

The Company intends to adopt NZ IFRS 9 (2014) in its financial statements for the annual period beginning on 1 January 2018. The extent of the impact of adoption of the standard has not yet been determined.

t) Restatement of Comparatives

Certain comparatives have been restated to be consistent to align with analysis in the current year. However, there is no financial impact on profit.

4) Statements Of Cash Flows

The following are the definitions of the terms used in the statements of cash flows:

» Cash comprises cash and bank balances including Finance Business.

» Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, investments along with advances and repayments from borrowers from Finance Business.

- Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid are included in financing activities.

- Operating activities include all transactions and other events that are not investing or financing activities.

- Certain comparatives have been restated to be consistent with the presentation of the cash flows this year.

5) 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 in determining fair values is disclosed in the notes specific to that asset or liability.

a) Property, Plant and Equipment

The fair value of property, plant and equipment recognised as a result of a business combination and land and buildings held are based on market values. The market value of property is the estimated amount for which a 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.

b) Trade and Other Receivables

The fair value of trade and other receivables approximates their carrying value at the market rate of interest at the reporting date.

c) Borrowings

Fair value is calculated based on the present value of contractual cash flows, discounted at the market rate of interest at the reporting date.

d) Derivatives

The fair value of forward exchange contracts is based on broker quotes. If a quote is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price 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. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

6) Segment Information

The Group has three principal reportable operating segments that are defined by the sectors within the Group which operates namely retail, the financing of retail sales, and property. This reflects the provision of flexible branded finance options to the Group's retail customers as being considered a key and integral part of the full service offering of all the trading operations of the Group. The following is an analysis of the Group's revenue and results by operating segment. Revenue reported below represents revenue generated from external customers. Inter segment revenue is recognised on the basis of arms length transactions.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3.

More information on finance income is included in Note 7 and finance costs in Note 10. Furthermore information on finance receivables is included in Note 15 and finance receivables borrowings in Note 20. Note 24 includes further disclosures on credit and liquidity risk and interest rate risk associated with the financing of the Group's retail sales.

Segment Revenue and Profit Analysis

	REVENUE FROM EXTERNAL CUSTOMERS ($m)	INTER SEGMENT REVENUE ($m)	TOTAL SEGMENT REVENUE ($m)	SEGMENT PROFIT (LOSS) ($m)
YEAR ENDED 30 APRIL 2014				
Retail Activities	208.6	-	208.6	1.0
Finance Business	10.4	-	10.4	3.6
Property Activities*	1.0	1.1	2.1	1.5
Parent Company	-	-	-	(0.5)
Trading Profit For Reportable Segments	220.0	1.1	221.1	5.6
Insurance Receipts For Property	-	-	-	0.5
Group Interest Paid	-	-	-	(1.4)
Total Before Taxation	**220.0**	**1.1**	**221.1**	**4.7**

* Included in the property segments result is income after costs arising from a property transaction in relation to one of the Groups stores of $0.6m.

	REVENUE FROM EXTERNAL CUSTOMERS ($m)	INTER SEGMENT REVENUE ($m)	TOTAL SEGMENT REVENUE ($m)	SEGMENT PROFIT (LOSS) ($m)
YEAR ENDED 30 APRIL 2015				
Retail Activities	**207.9**	**-**	**207.9**	**(0.5)**
Finance Business	**10.8**	**-**	**10.8**	**3.5**
Property Activities	**-**	**1.2**	**1.2**	**1.2**
Parent Company (incl Adventure Brands)	**2.7**	**-**	**2.7**	**(1.6)**
Trading Profit For Reportable Segments	**221.4**	**1.2**	**222.6**	**2.6**
Insurance Settlement For Colombo Street	**-**	**-**	**-**	**8.5**
Group Interest Paid	**-**	**-**	**-**	**(1.8)**
Total Before Taxation	**221.4**	**1.2**	**222.6**	**9.3**

Other Segment Information

	RETAIL ACTIVITIES ($m)	FINANCE BUSINESS ($m)	PROPERTY ACTIVITIES ($m)	TOTAL ($m)
YEAR ENDED 30 APRIL 2014				
Assets	63.4	73.5	14.8	151.7
Liabilities	(38.3)	(60.3)	(10.1)	(108.7)
Equity	(25.1)	(13.2)	(4.7)	(43.0)
Acquisitions Of Property, Plant, Equipment, Intangibles	1.6	-	0.9	2.5
Depreciation, Amortisation And Impairment	(1.3)	(0.1)	(0.1)	(1.5)
Interest Expense	(0.8)	(4.0)	(0.6)	(5.4)
Interest Revenue	-	9.9	-	9.9
YEAR ENDED 30 APRIL 2015				
Assets	**61.8**	**70.1**	**17.8**	**149.7**
Liabilities	**(32.1)**	**(57.9)**	**(10.1)**	**(100.1)**
Equity	**(29.7)**	**(12.2)**	**(7.7)**	**(49.6)**
Acquisitions Of Property, Plant, Equipment, Intangibles	**2.0**	**-**	**2.8**	**4.8**
Disposals of Property, Plant And Equipment	**-**	**-**	**(0.6)**	**(0.6)**
Depreciation, Amortisation And Impairment	**(1.3)**	**(0.1)**	**-**	**(1.4)**
Interest Expense	**(1.2)**	**(4.2)**	**(0.6)**	**(6.0)**
Interest Revenue	**0.1**	**10.3**	**-**	**10.4**

7) Revenue

	2015 ($m)	2014 ($m)
Retail Sales *	**210.6**	208.6
Interest Income On Finance Business		
Receivables Measured At Amortised Cost	**10.8**	10.4
Property Transaction (Refer Note 6)	**-**	1.0
	221.4	220.0

* Includes sales of Adventure Brands to external parties of $2.7m (2014 $nil).

8) Expenses By Nature

The following expenses have been included in arriving at Trading Profit..

Purchases Net Of Rebates	**(149.0)**	(149.5)
Movement In Inventory	**(0.7)**	(4.0)
Operating Lease Rental Expense	**(14.4)**	(14.1)
Employee Benefits	**(34.0)**	(33.6)
Auditors' Remuneration		
For Audit Services	**(0.1)**	(0.1)
Directors' Fees*	**(0.3)**	(0.2)

* One further Director in 2015.

9) Other Income

	2015 ($m)	2014 ($m)
Insurance Payment Received On Property	**8.5**	0.5

This comprises payments received for the Colombo Street property from the Group's insurer. The costs associated with Stage 2 to complete the rebuild of the retail areas of the property have been added to value of the property. Refer Note 16. The treatment to record insurance receipts and costs incurred as separate transactions is consistent with that provided in prior years.

10) Interest Expense

Included In Trading Profit		
Interest Expense On Finance Business Borrowings	**(4.2)**	(4.0)
Interest Expense On Bank Borrowings On Property And Retail Activities	**(1.8)**	(1.4)

11) Income Tax Expense

a) Income Tax Expense

Current Tax	**-**	-
Deferred Tax (Charge) Credit*	**(1.3)**	**(0.6)**
Total Deferred Tax (Charge)/Credit	**(1.3)**	**(0.6)**

b) Reconciliation Of Income Tax Expense To Tax Rate Applicable To Profits

Profit Before Income Tax Expense	**9.3**	4.7
Tax at the Rate Of 28% (2014 28%)	**(2.6)**	(1.3)
- Tax Exempt Income	**2.0**	1.0
- Expenses Not Deductible For Tax	**(0.7)**	(0.3)
Total Income Tax (Expense)/ Credit	**(1.3)**	(0.6)

c) Imputation Credits

There are no imputation credits available to equity holders of the Group.

*The deferred tax charge for the current period takes into account temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes together with the movement in the company's estimates of future taxable profits on the basis these can be offset against the tax losses available. Smiths City has available carry forward tax losses of $6.9million, hence no income tax is payable.

12) Cash And Cash Equivalents

The effective interest rates on call and short term deposits in 2015 was 3.18% (2014 3.35%). The amounts on deposit are at call (2014 at call).

Refer Note 20 for details of the effective interest rate on the Bank overdraft together with security provided.

13) Trade And Other Receivables

	2015 ($m)	2014 ($m)
Trade Receivables	**5.3**	5.8
Impairment Allowances	**(0.7)**	(0.1)
Net Trade Receivables	**4.6**	5.7
Other Receivables	**6.3**	5.9
Total Current Receivables	**10.9**	11.6

Effective Interest Rate

No interest is charged on trade receivables.

Fair Value

The fair value of trade and other receivables approximates their carrying value.
Receivables of Adventure Brands Limited at balance date totalled $1.33m (2014 $1.43m) for which the impairment allowance was $0.6m (2014 $0.02m).

Refer to Note 24 for information on the credit risk associated with the trade receivables.

14) Inventories

	2015	2014
Finished Goods	**43.0**	43.7
Write-down To Net Realisable Value	**(0.7)**	(0.7)
Net Inventories	**42.3**	43.0

Inventory adjustments are provided at period end for stock obsolescence. The amount of inventory sold during the year is reflected in cost of goods sold.

The Group recognises inventory at the lower of cost and net realisable value (NRV).

The amount of inventory subject to registered reservation of title claims total $7.2m (2014 $7.0m).

15) Finance Business Receivables

	2015			2014		
	FIXED INSTALMENT ($m)	**REVOLVING CREDIT ($m)**	**TOTAL ($m)**	FIXED INSTALMENT ($m)	REVOLVING CREDIT ($m)	TOTAL ($m)
Gross Finance Receivables	**74.3**	**21.4**	**95.7**	79.3	21.2	100.5
Provision For Unearned Income	**(25.7)**	**-**	**(25.7)**	(27.2)	-	(27.2)
	48.6	**21.4**	**70.0**	52.1	21.2	73.3
Less Impairment Allowances	**(0.8)**	**(0.5)**	**(1.3)**	(0.8)	(0.5)	(1.3)
	47.8	**20.9**	**68.7**	51.3	20.7	72.0
ANALYSIS						
Current Portion	**32.6**	**8.0**	**40.6**	35.0	7.6	42.6
Term Portion	**15.2**	**12.9**	**28.1**	16.3	13.1	29.4
	47.8	**20.9**	**68.7**	51.3	20.7	72.0

The table below details the geographic split of Finance Business receivables:

	2015		2014	
	FIXED INSTALMENT %	**REVOLVING CREDIT %**	FIXED INSTALMENT %	REVOLVING CREDIT %
North Island	**21.4**	**26.0**	20.7	25.5
South Island	**78.6**	**74.0**	79.3	74.5
	100.0	**100.0**	100.0	100.0

Refer to Note 24 for information on the credit risk associated with Finance Business receivables. A further breakdown of current and non current receivables is given as part of the liquidity risk disclosure.

Gross finance receivables includes all interest and finance related fees due under financing agreements.

The interest rate charged to customers on fixed instalment and flexible credit agreements varies. For those customers paying their accounts within the promotional term no interest is charged. However, for those customers whose accounts become interest bearing the rate charged is up to 23.95% per annum (2014 23.95%). Interest on those fixed instalment contracts where the promotional term is the same as the contract term has been excluded as historical data shows that such interest is unlikely to be collected.

The finance receivables relate to products sold on deferred payment terms. There are no unguaranteed residual values accruing to the benefit of the Group.

Releases from unearned income are calculated on the probability that contracts will enter an extended interest bearing period. This probability is assessed based on historical data.

16) Property, Plant & Equipment

	LAND & BUILDINGS ($m)	LEASEHOLD IMPROVEMENTS ($m)	OFFICE & COMPUTER EQUIPMENT ($m)	TOTAL ($m)
Cost or Valuation				
Balance 1 May 2013	21.4	8.8	21.3	51.5
Additions	1.0	0.5	0.7	2.2
Disposals	-	-	-	-
Balance 30 April 2014	22.4	9.3	22.0	53.7
Balance 1 May 2014	**22.4**	**9.3**	**22.0**	**53.7**
Additions	**2.9**	**0.5**	**0.7**	**4.1**
Disposals	**(0.6)**	**-**	**-**	**(0.6)**
Write back Accumulated Depreciation	**(7.6)**	**-**	**-**	**(7.6)**
Subtotal before revaluation	**17.1**	**9.8**	**22.7**	**49.6**
Revaluation	**0.7**	**-**	**-**	**0.7**
Balance 30 April 2015	**17.8**	**9.8**	**22.7**	**50.3**
Depreciation and Impairment Costs				
Balance 1 May 2013	(7.5)	(7.9)	(19.8)	(35.2)
Depreciation For The Year	(0.1)	(0.6)	(0.3)	(1.0)
Disposals	-	-	-	-
Balance 30 April 2014	(7.6)	(8.5)	(20.1)	(36.2)
Balance 1 May 2014	**(7.6)**	**(8.5)**	**(20.1)**	**(36.2)**
Depreciation For The Year	**-**	**(0.6)**	**(0.4)**	**(1.0)**
Disposals	**-**	**-**	**-**	**-**
Write back Accumulated Depreciation	**7.6**	**-**	**-**	**7.6**
Balance 30 April 2015	**-**	**(9.1)**	**(20.5)**	**(29.6)**
Carrying Amounts				
At 1 May 2013	13.9	0.9	1.5	16.3
At 30 April 2014	14.8	0.8	1.9	17.5
At 1 May 2014	**14.8**	**0.8**	**1.9**	**17.5**
At 30 April 2015	**17.8**	**0.7**	**2.2**	**20.7**

The land and buildings comprise the Colombo Street property which is occupied by the company's Colombo Street flagship store.

A reconciliation of carrying amount is scheduled above.

The last completed valuation for financial reporting purposes was dated 30 April 2015 by an independent property valuer. The valuation is undertaken on a three yearly cycle.

Work on Stage 2 of the Colombo Street building project has now been completed. An independent valuation dated 30 April 2015 was prepared by Colliers Valuation, an independent valuer. This assessed the value of the property now that Stage 2 is completed. It compared this value to the current carrying value following completion of Stage 2. The valuation of $17.820million resulted in a revaluation adjustment of $0.730million which is reflected in the Statement of Comprehensive Income.

The fair value of property, plant and equipment recognised as a result of a business combination and land and buildings held are based on market values. The market value of property is the estimated amount for which a 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.

Fair Value Hierarchy

The fair value of this property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every three years.

The fair value measurement for property of $17.8m (2014 $14.8m) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

Level 3 Fair Value

The following table shows the valuation technique used in measuring the fair value of this property, as well as the significant unobservable inputs used.

Valuation Technique	Significant Observable Inputs	Inter-relationship Between Key Unobservable Inputs And Fair Value Measurement
Discounted Cash Flows: The valuation model considers the present value net cash flows to be generated from the property, taking into account expected rental growth rate and occupancy by the Group. The expected net cash flows are discounted using risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary). Also considered is the rental charged between companies in the Group (refer Note 25) which is assessed by reference to comparable rates per square foot for similar space. In addition the yield rates on sales of similar properties are also considered.	• **Expected market rental growth.** • **Occupancy noting it is occupied by the Group.** • **Risk adjusted discount rates (8.75%-9.85%).** • **Comparable property transactions in the central city.**	The estimated fair value would increase (decrease) if: • Expected market rental growth were higher (lower). • The occupancy changed. • The risk adjusted discount rate were lower (higher).

The net book value of land and buildings would have been $14.5m (2014 $12.3m) if the depreciated original cost model had been applied. Details of property, plant and equipment pledged as security is referred to in Note 20.

17) Intangible Assets

	PURCHASED BRANDS ($m)	CUSTOMER DATABASES ($m)	SOFTWARE INCL DEVELOPMENT COSTS ($m)	TOTAL ($m)
Cost				
Balance 1 May 2013	0.8	1.1	4.1	6.0
Additions	-	-	0.2	0.2
Additions Internally Developed	-	-	0.1	0.1
Balance 30 April 2014	**0.8**	**1.1**	**4.4**	**6.3**
Balance 1 May 2014	**0.8**	**1.1**	**4.4**	**6.3**
Additions	**-**	**-**	**0.1**	**0.1**
Additions Internally Developed	**-**	**-**	**0.7**	**0.7**
Balance 30 April 2015	**0.8**	**1.1**	**5.2**	**7.1**
Amortisation and Impairment Costs				
Balance 1 May 2013	(0.5)	(0.6)	(3.0)	(4.1)
Impairment	-	-	-	-
Amortisation For The Year	-	(0.1)	(0.4)	(0.5)
Balance 30 April 2014	**(0.5)**	**(0.7)**	**(3.4)**	**(4.6)**
Balance 1 May 2014	**(0.5)**	**(0.7)**	**(3.4)**	**(4.6)**
Impairment	**-**	**-**	**-**	**-**
Amortisation For The Year	**-**	**(0.1)**	**(0.3)**	**(0.4)**
Balance 30 April 2015	**(0.5)**	**(0.8)**	**(3.7)**	**(5.0)**
Carrying Amounts				
At 1 May 2013	0.3	0.5	1.1	1.9
At 30 April 2014	**0.3**	**0.4**	**1.0**	**1.7**
At 1 May 2014	**0.3**	**0.4**	**1.0**	**1.7**
At 30 April 2015	**0.3**	**0.3**	**1.5**	**2.1**

The L V Martin brand of $0.3m (2014 $0.3m) is regarded by the Directors as having an indefinite useful life as there is no foreseeable limit to the period over which the brand is expected to generate net cash flow for the Group.

The fair value of purchased brands and customer databases is based on the discounted cash flows expected to be derived from the eventual sale of the assets.

Impairment Tests For Indefinite Life Brands

On an annual basis, the recoverable amount of the L V Martin brand is determined based on value in use calculations specific to the cash generating units associated with that brand. These calculations use pre-tax cash flow projections based on financial budgets prepared by management covering a five year period. Cash flows beyond the five year period are extrapolated by way of a terminal value calculation using five year cash flow and a range of discount rates. There were no impairment losses incurred in respect of brands. The key assumptions used for the value in use calculations are as follows:

Revenue Growth Rate 2%	(2014 2%)
Pre Tax Discount Rate 13-15%	(2014 range of 13-15%)

The growth rates adopted are consistent with internal forecasts and budgets. The discount rate reflects the specific risks relating to the cash flow being discounted. As a result no impairment charge was recognised in the financial statements (2014 $nil).

18) Deferred Tax Assets And Liabilities

Unrecognised Deferred Tax Assets

A deferred tax asset has been recognised in respect of the unutilised tax losses on the basis that, as referred to in Note 2 d) these exceeded approximately two years budgeted profits at that date.

	2015 ($m)	2014 ($m)
Unutilised Tax Losses	**3.0**	6.0
Unrecognised Deferred Tax Assets	**0.8**	1.7

Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributed to the following:

	ASSETS		**LIABILITIES**		**NET**	
	2015 ($m)	2014 ($m)	**2015 ($m)**	2014 ($m)	**2015 ($m)**	2014 ($m)
Property, Plant And Equipment	**-**	-	**(3.0)**	(2.0)	**(3.0)**	(2.0)
Inventory	**1.0**	1.0	**-**	-	**1.0**	1.0
Receivables	**1.4**	0.6	**-**	-	**1.4**	0.6
Derivatives	**0.2**	0.1	**-**	-	**0.2**	0.1
Provisions	**1.2**	0.9	**-**	-	**1.2**	0.9
Tax Losses	**1.1**	2.4	**-**	-	**1.1**	2.4
	4.9	5.0	**(3.0)**	(2.0)	**1.9**	3.0

The company has considered the level of budgeted profits to be recognised in the calculation of the deferred tax asset. As part of this assessment the Directors have considered the likelihood of a change in shareholding and the historical performance of the company. As a result on this basis the company considers it is probable that future taxable profits will be available against which tax losses can be utilised.

Movement In Deferred Tax Balances During The Year

	BALANCE 30 April 2013 ($m)	MOVEMENT ($m)	BALANCE 30 April 2014 ($m)	**MOVEMENT ($m)**	**BALANCE 30 April 2015 ($m)**
Property, Plant And Equipment	(1.6)	(0.4)	(2.0)	**(1.0)**	**(3.0)**
Inventory	1.1	(0.1)	1.0	**-**	**1.0**
Receivables	0.6	-	0.6	**0.8**	**1.4**
Derivatives	0.1	-	0.1	**0.1**	**0.2**
Provisions	0.9	-	0.9	**0.3**	**1.2**
Tax Losses	2.2	0.2	2.4	**(1.3)**	**1.1**
	3.3	**(0.3)**	**3.0**	**(1.1)**	**1.9**

The movement in deferred tax on derivatives $0.1m (2014 $0.1m) has been recognised in other comprehensive income.

The Group has tax losses of $6.9m (2014 $8.7m) and no unrecognised temporary differences. The ability to utilise these tax losses in the future depends upon the generation of sufficient assessable income, shareholder continuity and any changes in legislation.

19) Trade And Other Payables

	2015 *($m)*	2014 ($m)
Trade Payable Due To Related Parties	**0.1**	0.1
Other Trade Payables	**17.9**	18.8
Derivatives	**0.7**	0.3
Non Trade Payables And Accrued Expenses	**7.9**	6.6
	26.6	25.8

The fair value of trade and other payables approximates their carrying value. No interest is paid on the payables.

20) Loans And Borrowings

Fair value is calculated based on the present value of contractual cash flows, discounted at the market rate of interest at the reporting date.

The contractual terms of the Group's interest bearing loans and borrowings is set out below. Further information about the company's exposure to interest rate and foreign currency risk is set out in Note 24.

	2015 ($m)	2014 ($m)
NON CURRENT LIABILITIES		
Secured Finance Business Loans	**57.4**	60.3
Secured Bank Loans	**10.1**	10.1
CURRENT LIABILITIES		
Secured Bank Loans	**6.0**	12.5
TOTAL INTEREST BEARING LIABILITIES	**73.5**	82.9

Terms And Debt Repayment Schedule

Terms and conditions of outstanding loans were as follows:

	NOMINAL INTEREST RATE	TERM	FACILITY ($m)	CARRYING AMOUNT 2015 ($m)	FACILITY ($m)	CARRYING AMOUNT 2014 ($m)
Senior Revolving Secured Facility	30 Day BBR plus 3%	see note (i) below	**75.0**	**57.4**	75.0	60.3
Secured Bank Loan	BKBM plus 2.6%	See note (ii) below	**15.1**	**6.0**	15.1	12.5
Secured Bank Loan	BBR plus 2.6%	see note (iii) below	**10.7**	**10.1**	12.0	10.1
Secured Bank Overdraft	11.70%	See note (ii) below	**2.0**	**-**	2.0	-
Total Interest Bearing Liabilities			**102.8**	**73.5**	**104.1**	**82.9**

Total Interest Bearing Liabilities

i. The senior revolving secured cash advance facility agreement is secured by way of fixed and floating charge over Finance Business Receivables. The loan is subject to various covenants including a capital ratio. The facility is for a remaining period of two years. However, it may, subject to agreement with the lender, be extended for periods of 12 months on a rolling basis which would result in a three year term being maintained on an ongoing basis.

ii. The secured bank loans and bank overdraft are secured by a fixed and floating charge over all the Group's assets. The loans are also subject to various covenants and capital ratios. The current portion of secured bank loans are subject to review annually.

iii. The $10.1m loan is secured by way of mortgage over the Group's Colombo Street property. This facility expires on 16 October 2016.

iv. There are cross guarantees between the Parent company and all subsidiaries for the senior revolving cash advance facility and secured bank loans.

21) Capital And Reserves

Share Capital

At balance date the Group and Parent had issued and paid up capital of $10.7m (2014 $10.7m). The number of shares issued is 52,688,153 (2014 52,688,153). All shares are fully paid up and have equal voting and dividend rights. Upon winding up all shares rank equally with regard to the Group's residual assets.

Revaluation Reserve

The revaluation reserve relates to the revaluation of property, plant and equipment. Refer also Note 16.

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 occurred. Refer also Note 24 for details of foreign currency and interest rate hedging instruments.

Other Reserves

These relate to realised capital profits on disposal of assets.

22) Dividends

The following dividends were declared and paid by the Group for the year ended 30 April:

	Cents Per Share		Total Paid	
	2015	2014	**2015 ($m)** **$m**	2014 ($m) $m
Interim For Year Ending 30 April 2015	**1.0**		**0.5**	
Final For Year Ending 30 April 2014	**2.5**		**1.3**	
Interim For Year Ending 30 April 2014		1.0		0.6
Final For Year Ending 30 April 2013		2.5		1.4
	3.5	3.5	**1.8**	2.0

All dividends were unimputed.

On 29 June 2015 the Directors resolved to pay a dividend of 2.5cents per share on Friday 14 August 2015 (2014 2.5cents).

23) Earnings Per Share

The calculation of basic earnings per share at 30 April 2015 was based on the profit attributable to ordinary shareholders of $8.0m (2014 $4.1m) and an average number of ordinary shares outstanding of 52,688,153 (2014 52,688,153). Basic earnings per share is the same as dilutive earnings per share as there are no ordinary shares outstanding that have any dilutive potential.

24) Financial Instruments

Exposure to credit, interest rate, foreign currency and liquidity risks arises in the normal course of the Group's business.

Credit Risk
Credit risk is the risk of financial loss to the Group if a customer to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and finance receivables.

Management has a credit policy in place under which each new customer is individually assessed for credit worthiness before credit is granted applying to trade accounts, fixed instalment agreements and/or revolving credit accounts. This includes the obtaining of deposits and ensuring adequate insurance cover is in place for items supplied on credit terms. The Group also reviews external ratings as part of this process.

There are levels of authorisation for granting credit within the Group. These are allocated to the credit officers or the head of the credit team. Larger loans and facilities require approval by the Cheif Executive Officer, Chief Financial Officer or in some cases, the General Managers.

In order to determine which customers are classified as having payment difficulties, the Group applies a mix of duration and frequency of default. The Group does require collateral in respect of the finance receivables being the goods themselves and if considered necessary will register a security interest against them.

Categories are utilised by the Group to classify exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. Categories are used to determine where impairment allowances are required.

The credit risk framework consists of the following categories reflecting varying degrees of risk of default and the availability of collateral or other risk mitigation. Categories are also subject to regular reviews by the credit team.

Credit Risk Category		Description
Current	Low risk	Compliance with all terms
In arrears	Fair risk	Non compliance but follow up action underway
Arrangement	Low/fair risk	Non compliance but a payment plan in place
Insurance Claim	Low/fair risk	Non compliance but account insured
Collection/Repossession	Impaired	Action being taken to enforce security
Legal Action	Impaired	Action being taken to enforce security

Regular internal audits of finance receivables by an independent professional audit firm are undertaken for the financier of the ledger. All credit policies and procedures are subject to review by the Audit Committee who also receive quarterly reports on the ledgers, arrears levels and impairment losses.

The Group's exposure to credit risk is mainly influenced by its customer base. As such it is concentrated to the default risk of the retail sector in New Zealand. There are no individually significant exposures to any one customer or group of related customers. There are no significant related party finance receivables.

Investments are allowed only in liquid securities and only with counterparties that have an investment grade rating. In addition the Group has established counterparty limits for investments and derivatives depending on their rating. Transactions involving derivative financial instruments are with counterparties who have sound credit ratings.

Liquidity Risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity risk on an ongoing basis. Day to day funding requirements and future cash flows are monitored to ensure requirements can be met. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover shortfalls. Furthermore the Group maintains strong bank relationships and committed bank credit facilities.

Market Risk

The Group enters into derivative arrangements in the ordinary course of business to manage foreign currency and interest rate risks. The Board of Directors provides oversight for risk management and derivative activities. This includes determining the Group's financial risk policies and objectives, guidelines for derivative instrument utilisation, procedures for control and valuation, risk analysis, counterparty credit approval and ongoing monitoring and reporting.

Foreign Currency Risk

The Group is exposed to foreign currency risks on purchases that are denominated in a currency other than the company's functional currency, New Zealand Dollars ($) which is the presentation currency of the Group. The overseas currency in which transactions are denominated is US Dollars (USD). The Group hedges up to 100% of its estimated foreign currency exposure in respect of forecasted purchases over the following 12 months. The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year at the balance sheet date.

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

Interest Rate Risk

The Group has a policy of ensuring that interest rate exposure on term borrowings (or core debt) shall be fixed forward for 12 months for a minimum of 50% of total exposure and up to a maximum of 100%.

Interest rate exposure on Finance Business borrowings is to be fixed forward to mirror the profile of the receivables portfolio for those receivables whose interest rate is fixed at the point the contract is originated. The minimum exposure of these receivables hedged is 75% up to a maximum of 100%.

Based on independent advice received monthly, interest rate swaps have been entered into to achieve an appropriate mix of fixed and floating rate exposure within the Group's policy for both its core debt and Finance Business.

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

Other Market Price Risks

The Group is not exposed to substantial other market price risk arising from financial instruments.

QUANTITATIVE DISCLOSURES

Credit Risk

The carrying amount of financial assets represents the Group's maximum credit exposure. The Group's material credit risk arises from finance receivables. The Group has not renegotiated the term of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status. The Group has no restructured financial assets. The status of trade and finance receivables at reporting date is as follows:

Trade Receivables

Trade receivables comprise sales made to customers on credit through the Group's trades based businesses or through the collection of purchasing volume or advertising rebates from suppliers not otherwise deducted from suppliers payable accounts.

	GROSS RECEIVABLE 2015 ($m)	**IMPAIRMENT 2015 ($m)**	GROSS RECEIVABLE 2014 ($m)	IMPAIRMENT 2014 ($m)
Not Past Due	**3.5**	**-**	3.4	-
Past Due 0-30 Days	**0.9**	**-**	0.7	-
Past Due 31-60 Days	**0.2**		0.3	-
Past Due Over 61 Days	**0.7**	**(0.7)**	1.4	(0.1)
	5.3	**(0.7)**	5.8	(0.1)
ANALYSIS				
Trade Receivables – Trades Based Customers	**0.6**	**-**	0.2	-
Other Receivables Including Monthly Account Customers	**4.7**	**(0.7)**	5.6	(0.1)
	5.3	**(0.7)**	5.8	(0.1)

Individually impaired trade receivables relate to delinquent customers. In the case of delinquency the Group writes off the receivable unless there is clear evidence that a receipt is highly probable.

Fixed Instalment Receivables

	2015 ACCOUNT BALANCE %	2015 ACCOUNT BALANCE ($m)	2015 IMPAIRMENT ($m)	2014 ACCOUNT BALANCE %	2014 ACCOUNT BALANCE ($m)	2014 IMPAIRMENT ($m)
Current	85.6	41.6	-	87.8	45.8	-
1 Month Overdue	5.1	2.5	-	5.7	3.0	-
2 Month Overdue	1.4	0.7	-	1.9	1.0	-
3 Month Overdue	0.7	0.3	-	0.7	0.3	-
Over 3 Month Overdue	7.2	3.5	(0.8)	3.9	2.0	(0.8)
	100.0	48.6	(0.8)	100.0	52.1	(0.8)

Revolving Credit Receivables

	2015 ACCOUNT BALANCE %	2015 ACCOUNT BALANCE ($m)	2015 IMPAIRMENT ($m)	2014 ACCOUNT BALANCE %	2014 ACCOUNT BALANCE ($m)	2014 IMPAIRMENT ($m)
Current	75.2	16.1	-	73.9	15.8	-
1 Month Overdue	15.4	3.3	-	15.8	3.3	-
2 Month Overdue	4.7	1.0	-	5.2	1.1	-
3 Month Overdue	0.9	0.2	-	1.4	0.3	-
Over 3 Month Overdue	3.8	0.8	(0.5)	3.7	0.7	(0.5)
	100.0	21.4	(0.5)	100.0	21.2	(0.5)

Impaired Finance Receivables

Impaired finance receivables are those for which the Group determines that there is objective evidence that it will be unable to collect all principal and interest due according to the contractual terms of the loan agreement. These loans are treated as subject to collection, repossession or legal action in the Group's internal credit risk grading system.

Past Due But Not Impaired

Finance receivables where contractual interest or principal repayments are past due but the Group believes that impairment is not appropriate based on the stage of collection of amounts owed to the Group or the level of security/collateral available. These loans are treated as under arrangement.

Allowances for Impairment

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in its finance receivables portfolio. The main component of this allowance is a specific loss component that relates to individual exposures which is identified on loans subject to individual assessment for impairment.

Write Off Policy

The Group writes off a receivable (and any related allowances for impairment losses) when management determines that the loan is uncollectible. This determination is reached after collection procedures have proved unsuccessful, the occurrence of significant changes in the borrowers position such that the borrower can no longer pay the obligation, or that the proceeds from the collateral and/or insurance claim will not be sufficient to pay back the entire obligation.

Collateral

The Group is able to repossess goods supplied on all its consumer loans and in certain cases holds registered security interests and guarantees.

Impaired Assets Provision

	2015				2014			
	TRADE RECEIVABLES ($m)	FIXED INSTALMENT RECEIVABLES ($m)	REVOLVING CREDIT RECEIVABLES ($m)	TOTAL ($m)	TRADE RECEIVABLES ($m)	FIXED INSTALMENT RECEIVABLES ($m)	REVOLVING CREDIT RECEIVABLES ($m)	TOTAL ($m)
Impaired Assets Provision								
Opening Balance	**0.1**	**0.8**	**0.5**	**1.4**	0.1	0.8	0.5	1.4
Movement In Provision For Impairment	**0.6**	**-**	**-**	**0.6**	-	-	-	-
Closing Balance	**0.7**	**0.8**	**0.5**	**2.0**	0.1	0.8	0.5	1.4
Impaired Asset Expense								
Impairment Charges On Uncollectable Accounts	**-**	**0.4**	**0.2**	**0.6**	-	0.4	0.2	0.6
Recoveries From Accounts Previously Written Off	**-**	**(0.1)**	**-**	**(0.1)**	-	(0.1)	-	(0.1)
Impaired Assets Charge Included In Store And Distribution Expenses	**-**	**0.3**	**0.2**	**0.5**	-	0.3	0.2	0.5

LIQUIDITY RISK

The following table sets out the contractual cash flows for all financial assets, liabilities and derivatives that are settled on a gross cash flow basis. Note the table below excludes inventory.

Residual Contractual Maturities Of Financial Assets And Liabilities

	BALANCE SHEET ($m)	CONTRACTUAL CASH FLOWS ($m)	6 MTHS OR LESS ($m)	6-12 MTHS ($m)	1-2 YRS ($m)	MORE THAN 2 YRS ($m)
2015						
Non Derivative Assets						
Cash And Cash Equivalents	**3.1**	**3.1**	**3.1**	**-**	**-**	**-**
Trade And Other Receivables	**10.9**	**10.9**	**10.9**	**-**	**-**	**-**
Fixed Instalment Receivables	**47.8**	**80.5**	**20.2**	**19.5**	**29.1**	**11.7**
Revolving Credit Receivables*	**20.9**	**62.8**	**3.7**	**3.5**	**6.3**	**49.3**
Total Non Derivative Assets	**82.7**	**157.3**	**37.9**	**23.0**	**35.4**	**61.0**
Non Derivative Liabilities						
Bank Overdrafts	**-**	**-**	**-**	**-**	**-**	**-**
Secured Bank Loans	**(16.1)**	**(17.5)**	**(0.5)**	**(0.5)**	**(16.5)**	**-**
Finance Business Borrowings	**(57.4)**	**(60.3)**	**(25.3)**	**(16.6)**	**(13.8)**	**(4.6)**
Trade And Other Payables	**(26.6)**	**(26.6)**	**(26.6)**	**-**	**-**	**-**
Total Non Derivative Liabilities	**(100.1)**	**(104.4)**	**(52.4)**	**(17.1)**	**(30.3)**	**(4.6)**
Interest Rate Swaps – Out Flow	**(0.8)**	**(0.8)**	**-**	**(0.1)**	**(0.7)**	**-**
Forward Exchange Contracts – Out Flow	**0.1**	**0.1**	**0.1**	**-**	**-**	**-**
TOTAL	**(18.1)**	**52.2**	**(14.4)**	**5.8**	**4.4**	**56.4**

	BALANCE SHEET ($m)	CONTRACTUAL CASH FLOWS ($m)	6 MTHS OR LESS ($m)	6-12 MTHS ($m)	1-2 YRS ($m)	MORE THAN 2 YRS ($m)
2014						
Non Derivative Assets						
Cash And Cash Equivalents	2.9	2.9	2.9	-	-	-
Trade And Other Receivables	11.6	11.6	11.6	-	-	-
Fixed Instalment Receivables	51.3	88.2	22.1	21.3	31.4	13.4
Revolving Credit Receivables*	20.7	63.3	3.7	3.5	6.4	49.7
Total Non Derivative Assets	**86.5**	**166.0**	**40.3**	**24.8**	**37.8**	**63.1**
Non Derivative Liabilities						
Bank Overdrafts	-	-	-	-	-	-
Secured Bank Loans	(22.6)	(24.0)	(0.6)	(0.6)	(22.8)	-
Finance Business Borrowings	(60.3)	(69.2)	(1.5)	(1.5)	(3.1)	(63.1)
Trade And Other Payables	(25.8)	(25.8)	(25.8)	-	-	-
Total Non Derivative Liabilities	**(108.7)**	**(119.0)**	**(27.9)**	**(2.1)**	**(25.9)**	**(63.1)**
Interest Rate Swaps – Out Flow	-	-	-	-	-	-
Forward Exchange Contracts – Out Flow	(0.3)	(0.3)	(0.2)	(0.1)	-	-
TOTAL	**(22.5)**	**46.7**	**12.2**	**22.6**	**11.9**	**-**

* Note based on minimum repayment profile of these receivables and accordingly they will attract interest.

The contractual maturity of financial assets and liabilities is shown above. However, the Group's expected cash flows on these instruments, specifically fixed instalment receivables, vary significantly from their contractual cash flows.

Expected Maturities Of Financial Assets And Liabilities

	BALANCE SHEET ($m)	6 MTHS OR LESS ($m)	6-12 MTHS ($m)	1-2 YRS ($m)	MORE THAN 2 YRS ($m)
2015					
Fixed Instalment Receivables	**47.8**	**18.6**	**14.0**	**11.4**	**3.8**
2014					
Fixed Instalment Receivables	51.3	23.8	11.2	12.0	4.3

The only expected difference in maturity is in relation to receivables.

FOREIGN CURRENCY RISK

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

	AVERAGE EXCHANGE RATE 2015	AVERAGE EXCHANGE RATE 2014	FOREIGN CURRENCY 2015 ($m)	FOREIGN CURRENCY 2014 ($m)	CONTRAT VALUE 2015 ($m)	CONTRACT VALUE 2014 ($m)	FAIR VALUE 2015 ($m)	FAIR VALUE 2014 ($m)
Outstanding Contracts								
Buy US Dollars								
Less Than 3 Months	**0.79**	0.79	**1.5**	1.6	**1.8**	2.1	**0.10**	(0.14)
3-6 Months	**0.77**	0.80	**1.3**	1.4	**1.8**	1.7	**-**	(0.09)
6-12 Months	**0.74**	0.81	**1.3**	1.3	**1.7**	1.6	**-**	(0.05)
							0.10	(0.28)

The Group has no significantly unhedged foreign currency exposures.

The value of forward exchange contracts outstanding are recognised in trade and other payables. Cash flow hedge accounting has been adopted.

INTEREST RATE RISK

Interest Rate Swap Contracts

Under the interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on debt held. The fair value of interest rate swaps are based on market values of equivalent instruments at reporting date.

	AVERAGE CONTRACT FIXED INTEREST RATE 2015	AVERAGE CONTRACT FIXED INTEREST RATE 2014	**NOTIONAL PRINCIPAL AMOUNT 2015 ($m)**	NOTIONAL PRINCIPAL AMOUNT 2014 ($m)	**FAIR VALUE 2015 ($m)**	FAIR VALUE 2014 ($m)
Outstanding Contracts						
Variable Rate For Fixed Contracts						
Less Than 1 Year	**3.18%**	2.90%	**6.0**	6.0	**-**	-
1-2 Years	**4.31%**	3.18%	**3.0**	6.0	**(0.1)**	0.04
More Than 2 Years	**4.31%**	3.69%	**62.4**	63.4	**(0.7)**	(0.04)
			71.4	75.4	**(0.8)**	-

In the current and prior financial year the above financial instruments relate to a subsidiary entity. The value of interest rate swaps outstanding are recognised in trade and other payables. Hedge accounting has been adopted.

Interest Rate Risk – Repricing Analysis

The table below summarises the Group's exposure to interest rate risks. It includes the Group's financial instruments at carrying amounts categorised by the earlier of their contractual repricing or expected maturity dates.

Note – the interest rate on fixed instalment receivables is fixed at the time the contract is entered into and is not repriced thereafter. Hence they are not included in the tables below.

	VARIABLE INTEREST RATE	6 MTHS OR LESS ($m)	6-12 MTHS ($m)	1-2 YRS ($m)	MORE THAN 2 YRS ($m)	NON INTEREST BEARING ($m)	TOTAL ($m)
2015							
Financial Assets							
Cash And Cash Equivalents	**3.15-3.5%**	**3.1**	**-**	**-**	**-**	**-**	**3.1**
Trade And Other Receivables	**-**	**-**	**-**	**-**	**-**	**10.9**	**10.9**
Revolving Credit Receivables	**23.95%**	**20.9**	**-**	**-**	**-**	**-**	**20.9**
		24.0	**-**	**-**	**-**	**10.9**	**34.9**
Financial Liabilities							
Bank Overdraft	**11.70%**	**-**	**-**	**-**	**-**	**-**	**-**
Trade, Other Payables And Provisions	**-**	**-**	**-**	**-**	**-**	**(26.6)**	**(26.6)**
Fixed Instalment And Revolving Credit Receivables Borrowings	**BBR plus 3.0%**	**(57.4)**	**-**	**-**	**-**	**-**	**(57.4)**
Secured Loans	**BKBM plus 1.3-2.6%**	**-**	**(6.0)**	**(10.1)**	**-**	**-**	**(26.1)**
Effect Of Interest Rate Derivatives		**59.7**	**(11.2)**	**(4.2)**	**(44.3)**	**-**	**-**
		2.3	**(17.2)**	**(14.3)**	**(44.3)**	**(26.6)**	**(100.1)**
TOTAL		**26.3**	**(17.2)**	**(14.3)**	**(44.3)**	**(15.7)**	**(65.2)**

* Derivatives of $6.0m extend to 6 months, $3.0m to three years; $20.0m to over two years.

	VARIABLE INTEREST RATE	6 MTHS OR LESS ($m)	6-12 MTHS ($m)	1-2 YRS ($m)	MORE THAN 2 YRS ($m)	NON INTEREST BEARING ($m)	TOTAL ($m)
2014							
Financial Assets							
Cash And Cash Equivalents	2.5-3.2%	2.9	-	-	-	-	2.9
Trade And Other Receivables		-	-	-	-	11.6	11.6
Revolving Credit Receivables	23.95%	20.7	-	-	-	-	20.7
		23.6	**-**	**-**	**-**	**11.6**	**35.2**
Financial Liabilities							
Bank Overdraft	10.90%	-	-	-	-	-	-
Trade, Other Payables And Provisions	-	-	-	-	-	(25.8)	(25.8)
Fixed Instalment And Revolving Credit Receivables Borrowings	BBR Plus 3.0%	(60.3)	-	-	-	-	(60.3)
Secured Loans	BKBM Plus 1.3-2.6%	-	(12.5)	(10.1)	-	-	(22.6)
Effect Of Interest Rate Derivatives		57.7	(16.7)	(15.0)	(26.0)	-	-
		(2.6)	**(29.2)**	**(25.1)**	**(26.0)**	**(25.8)**	**(108.7)**
TOTAL		**21.0**	**(29.2)**	**(25.1)**	**(26.0)**	**(14.2)**	**(73.5)**

* Derivatives of $6.0m extend to 18 months, $3.0m to four years; $20.0m to three years.

Capital Management

The Group's capital includes share capital, reserves and retained earnings.

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders funds is also recognised and the Group recognises the need to maintain a balance between the higher returns that may be possible with greater gearing and the advantages and security afforded by a sound capital position.

Other than covenants and capital ratios as referred to in Note 20 the Group is not exposed to any externally imposed capital requirements.

The allocation of capital between its specific business segment operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific business segment operations and activities is undertaken independently of those responsible for the operation.

The Group's responsibilities in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes in the Group's management of capital during the period.

HEDGING

Interest Rate Hedges

TThe Group has a policy of ensuring that interest rate exposure on term borrowings excluding Finance Business (or core debt) shall be fixed forward on a rolling 12 months basis for a minimum of 50% of total exposure and up to a maximum of 100%.

Interest rate exposure on Finance Business borrowings is to be fixed forward to mirror the profile of the receivables portfolio for those receivables whose interest rate is fixed at the point the contract is originated. The minimum exposure of these receivables hedged is 75% up to a maximum of 100%.

Interest rate swaps have been entered into to achieve an appropriate mix of exposure within the Group's policy. The swaps mature over the next four years and have fixed swap rates ranging from 3.18% to 4.75% (2014 2.9% to 4.61%). At 30 April 2015 the Group had interest rate swaps with a notional contract amount of $71.4m (2014 $75.4m) including Finance Business of $59.4m (2014 $60.5m). The Group classifies interest rate swaps as cash flow hedges.

The net fair value of swaps at 30 April 2015 was $0.79m (2014 $nil) comprising assets of $nil (2014 $0.04m) and liabilities of ($0.79m) (2014 $0.04m). The interest rate used to calculate the fair value of swaps at 30 April 2015 ranges between 3.18% and 4.75%%.

Forecast Transactions

The Group classifies its forward exchange contracts for hedging forecast transactions as cash flow hedges. The net fair value of forward exchange contracts used as hedges of forecast transactions at 30 April 2015 was $0.1m (2014 $0.3m) comprising assets of $0.1m (2014 $nil) and liabilities of $nil (2014 $0.3m). The exchange rate used to calculate the fair value of forward exchange contracts at 30 April 2015 was US$0.7619 (2014 US$0.8565).

Accounting Classifications And Fair Values

The Group's classification of each class of financial assets and their fair values is set out below. Note that the only instruments designated at fair value are the derivative financial instruments. The derivatives are classified as Level 2 in the fair value hierarchy and there has been no movement between levels of fair value hierarchy during the year ended 30 April 2015.

The Group's classification of each class of financial assets and liabilities is as follows:

- Classified at fair value – derivatives.
- Classified as loans and receivables – all other financial assets.
- Classified as other liabilities – all other financial liabilities.

Note that the fair value of the Group's financial assets and liabilities is not considered to be materially different to their carrying value.

Interest Rates Used for Determining Fair Value

The following interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the reporting date plus an appropriate constant credit spread:

	GROUP	
	2015	2014
Derivatives Held For Risk Management	**3.18% - 4.75%**	2.9% - 4.61%

Financial Instrument Carried At Fair Value

Fair Value Hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

30 April 2015

	Level 1	Level 2	Level 3	Total
Other Investments, Including Derivatives (Non Current):				
Forward Exchange Contract Used For Hedging	-	0.10	-	0.10
Other Investments, Including Derivatives (Current):	-	-	-	-
TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE	-	0.10	-	0.10
Trade and Other Payables (Non Current):				
Interest Rate Swaps Used For Hedging	-	(0.79)	-	(0.79)
TOTAL FINANCIAL LIABILITIES CARRIED AT FAIR VALUE	-	(0.79)	-	(0.79)

30 April 2014

	Level 1	Level 2	Level 3	Total
Other Investments, Including Derivatives (Non Current):				
Interest Rate Swaps Used For Hedging	-	0.04	-	0.04
Other Investments, Including Derivatives (Current):	-	-	-	-
TOTAL FINANCIAL ASSETS CARRIED AT FAIR VALUE	-	0.04	-	0.04
Trade and Other Payables (Non Current):				
Interest Rate Swaps Used For Hedging	-	(0.04)	-	(0.04)
Trade and Other Payables (Current):				
Forward Exchange Contracts Used For Hedging	-	(0.30)	-	(0.30)
TOTAL FINANCIAL LIABILITIES CARRIED AT FAIR VALUE	-	(0.34)	-	(0.34)

Level 2 fair values for simple over the counter derivative financial instruments are based on observable market data which is tested for reasonableness and which reflects the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

The fair value of forward exchange contracts is determined using forward exchange rates at the period end date with the resulting value discounted back to present value.

Interest Rate Sensitivity

The Group's sensitivity to interest rate risk can be expressed in two ways:

1. *Fair Value Sensitivity Analysis*

A change in interest rates impacts the fair value of the Group's fixed rate assets and liabilities and its interest rate swaps. Fair value changes impact on profit or loss or equity only where the instruments are carried at fair value. Accordingly, the fair value sensitivity to a 100 basis point movement in interest rates (based on the assets and liabilities held at balance date) is as follows:

	2015 Impact On Profit Or Loss +1% ($m)	**2015** Impact On Equity -1% ($m)	2014 Impact On Profit Or Loss +1% ($m)	2014 Impact On Equity -1% ($m)
Derivatives	0.68	(0.68)	0.7	(0.7)

The fair value sensitivity to movements greater or less than the 100 basis point movement above approximates to a multiple of the impact stated above – i.e: a 200 point movement would double these figures.

2. *Cash Flow Sensitivity Analysis*

A change in interest rates would also impact on interest payments and receipts on the Group's floating rate assets and liabilities. Accordingly, the one year cash flow sensitivity to a 100 basis point movement in interest rates (based on assets and liabilities held at balance date) is as follows:

	2015 Impact On Profit Or Loss +1% ($m)	**2015 Impact On Equity -1% ($m)**	2014 Impact On Profit Or Loss +1% ($m)	2014 Impact On Equity -1% ($m)
Cash And Cash Equivalents	**0.01**	**(0.01)**	0.01	(0.01)
Related Party Receivables			-	-
Bank Overdraft			-	-
Related Party Receivables Borrowings			-	-
Finance Receivables Borrowings	**(0.57)**	**0.57**	(0.6)	0.6
Secured Loans	**(0.16)**	**0.16**	(0.23)	0.23

i. Note that trade and other receivables are all denominated in NZ$ and are non interest bearing.

ii. Note that as finance receivables are calculated at amortised cost using their effective interest rate the sensitivity is based on variations against the effective interest rate and not the interest rate the customer would pay in accordance with the contract itself.

iii. Note that accounts payable are all denominated in NZ$ and are non interest bearing.

25) Related Party Transactions

Note 26 identifies all material trading companies within the Group. Also presented below, the Group has the investment in an appliance buying group of which the Group is a shareholder. All of these companies are related parties to the Parent. Other than as identified below, there are no other related parties with whom material transactions have taken place.

MANAGEMENT CONTRACT

Smiths City Group Limited entered into a management contract dated 1 November 2011 with Retail Management Services 2000 Limited to provide the services of Richard Hellings as Managing Director for a period to 31 October 2015 (having been extended by one year from 2014) with an annual retainer of $0.4m from 1 November 2011 plus an estimated annual incentive based on profit plus the use of a motor vehicle and annual health premiums with an estimated cost of $0.02m per annum. This contract which was based on independent expert advice is to be terminated on 31st July 2015 following the decision by Mr Hellings to step down as Managing Director.

INFORMATION TECHNOLOGY SERVICES

The company has an existing contract dating from 1 November 2009 with Datacom Group Limited of which Craig Boyce (Chairman of Smiths City Group Limited), is Chairman, and John Holdsworth, formerly a Director and a shareholder, has a beneficial ownership to provide information technology outsourcing services for the computer hardware and software facilities of the company. This contract was approved at the 2012 Annual Meeting for a further period of three years. The transactions with Datacom Group Limited are completed on a commercial arms length basis within the Managing Director's delegated powers. Purchases for the year were $0.9m (2014 $0.8m). The amount owing to Datacom Group Limited at balance date was $0.2m (2014 $0.1m).

ADVENTURE BRANDS

The Group has increased its 30% holding in Adventure Brands Limited to 65% on 31 March 2014. Purchases for the year were $1.5m (2014 $1.1m). The amount owing at year end was $0.1m (2014 $0.3m). At balance date a wholly owned subsidiary of the Group had advanced $1.96m to Adventure Brands Limited (2014 $1.86m). The advance is a revolving credit facility entered into on an arms length basis at a weighted average interest rate of 6.4% (2014 6.6%) per annum and is secured over stock funded by the facility and certain debtors of Adventure Brands Limited.

NARTA NZ LIMITED

The Group has an investment of $0.01m in Narta NZ Limited. Narta NZ Limited is an appliance buying group of which the Group was one of the founding members.

KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation including Directors comprised short term employee benefits of $2.1m (2014 $1.9m).

26) Subsidiary Companies

Except for Adventure Brands Limited the material trading subsidiary companies, all with balance dates of 30 April and all are wholly owned included in the consolidated accounts as at 30 April 2015 are as follows:

TRADING

- Smiths City (Southern) Limited - retail
- Smiths City Properties Limited - property
- Smith City Finance Limited (formerly Smithcorp Finance)- finance
- SCG Finance Limited – finance
- Adventure Brands Limited – 65% owned bicycle distributors

Except for Adventure Brands Limited all Directors of Smiths City Group Limited are also Directors of the Trading subsidiaries. The Directors of Adventure Brands Limited include Mr R Hellings.

27) Operating Leases

Non cancellable operating lease rentals are payable as follows:

	2015 ($m)	2014 ($m)
Less Than 1 Year	**12.7**	12.4
Between 1-5 Years	**29.1**	25.3
More Than 5 Years	**4.5**	4.9
	46.3	**42.6**

The Group leases the majority of its stores under operating leases apart from Colombo Street which is owned. The leases typically run for between two to nine years with options to renew the leases after that date. Note, however, that during the year ended 30 April 2015 there were a number of property leases due for renewal within the next 12 months. These were subsequently renewed which had the impact of increasing the lease obligations. Lease payments are increased every three years to reflect either market rentals or in some cases CPI increases. The Group leases the majority of its motor vehicle fleet under operating leases.

28) Capital Commitments

The value of capital commitments at 30 April 2015 was $nil (2014 $2.7m).

Note that as referred to in Note 16 the repairs to Colombo Street have been completed with costs having been capitalised into fixed assets totalling $2.9m during 2015 (2014 $1.0m).

The Group has entered into an Agreement to Lease a property in Taupo for an initial term of six years which commences on or before 1 August 2015. The initial cost of store fit out is estimated to be $0.25m.

29) Contingent Liabilities

The Group has no contingent liabilities at 30 April 2015 (2014 $nil).

30) Events Subsequent To Balance Date

On 29 June 2015 the Directors resolved to pay a dividend of 2.5cents per share on Friday 14 August 2015 (2014 2.5cents).

Independent auditor's report

To the shareholders of Smiths City Group Limited

We have audited the accompanying consolidated financial statements of Smiths City Group Limited and its subsidiaries (''the group'') on pages 10 to 47. The financial statements comprise the consolidated statement of financial position as at 30 April 2015, the consolidated income statement and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the consolidated financial statements.

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

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

Opinion

In our opinion, the consolidated financial statements on pages 10 to 47 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of Smiths City Group Limited as at 30 April 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

KPMG

29 June 2015
Christchurch

Governance Report

The Board of Directors of Smiths City Group Limited acknowledges the need for the highest standards of Corporate Governance practice and ethical conduct. The Group's Corporate Governance processes are consistent with the NZX Corporate Governance Best Practice Code.

Role Of The Board Of Directors

The Board is appointed by shareholders to govern the company in their interests and is responsible for the proper direction and control of the company's activities. Being responsible for the overall stewardship of the company the Board has particular focus on:-

- Commercial Performance and Strategy Development
- Financial and Dividend Policies including preparation of annual financial statements
- Identification and Control of Business Risks
- Internal Control Systems
- Compliance with New Zealand laws, regulations, the listing rules (including continuous disclosure regime), professional standards and contractual obligations
- Business Plans and Budgets
- Delegations of Authority
- Identification and Control of Business Opportunities
- Integrity of Management Information Systems
- Reports to Shareholders and other key Stakeholders

The Board has delegated day to day management of the company to the new Chief Executive Officer, Mr Roy Campbell following his appointment on 1st May 2015, and other executives of the company. Operational and administrative policies relative to the company's business are in place and the company has an internal audit system for monitoring the company's operational policies and practices.

The Chairman and new Chief Executive determine the agenda for Board meetings. On a monthly basis, the Board receives operational reports summarising the company's activities including key performance indicators. In addition, the Board receives regular briefings from the management team on key strategic and performance issues either as part of regular Board meetings or in specific briefing sessions.

Board Composition

The Board currently comprises four Directors including the Chairman. Note: Mr Hellings was Managing Director and a Board member until 29th May 2015, when he retired as a Board member and Managing Director.

The company's constitution sets out policies and procedures on the operation of the Board including the appointment and removal of Directors. The NZX Listing Rules and the company's constitution provide that a minimum of three Directors is required, of whom at least two shall be independent. Currently the Board comprises four members, being Non-Executive Chairman, and three independent non-Executive Directors.

The Board acknowledged the importance of independent Directors in ensuring an optimal balance between Board members who are able to bring a wide range of business experience and skills, and those with direct company knowledge and operational responsibility.

Under the constitution, one third of Directors must retire by rotation at the Annual meeting each year but, if eligible, may offer themselves for re-election.

Pursuant to NZX Listing Rule 3.3.5, the company is required to make an announcement to the market advising the closing date for Director nominations. That announcement must be no less than ten business days prior to the closing date and the closing date must be not more than two months prior to the Annual meeting.

For the year ending 30 April 2015 the Board met 10 times.

Independent Directors

The New Zealand Stock Exchange has determined that a component of good governance is the identification of independent directors. The Board has resolved that J A Dobson, G R Rohloff and S M Henderson are defined as independent.

Group Management Structure

The Group's organisation structure is focused on its three main activities: trading; the provision of consumer finance and the maintenance and development of its property assets. This delivers an organisation that is focused on all the key activities of the company.

Risk Identification And Management

The Group has a formal Risk Management Plan to identify areas of significant business risk and implement procedures to effectively manage those risks. The Risk Management Plan has an emphasis on:

- Operational Risks: risks associated with the company's normal business operations, including normal day to day exposures relating to customers, stores, employees, systems, suppliers, occupational health and safety in the work place and regulatory bodies;
- Funding Risks: risks associated with the funding of the company's operations, including exposures relating to investment of surplus cash, and to interest rate and exchange movements;
- Environmental Risks: risks associated with the environment in which the Group operates, including exposures to natural disasters and to changes in social trends, economic conditions and customer preferences; and
- Strategic Risks: risks associated with company initiatives that are outside the normal course of business, including exposures relating to initiatives to expand into new brands, markets, regions and business activities and to adopt new systems.

Where appropriate, the Board obtains advice directly from external advisers. Once a significant business risk is identified, the Board is advised and action is taken promptly to mitigate and monitor or, if there are benefits to be obtained, take advantage of these in addressing the risk.

Committees

To enhance efficiency the Board has delegated some of its duties to Board committees and other powers to the Chief Executive. The Chief Executive has in turn formally delegated certain authorities to his direct reports and has established a formal process for his direct reports to further delegate.

The Board has an Audit Committee, a Remuneration Committee and a Nomination Committee which meet as required. The terms of reference for the Committees are the responsibility of the entire Board.

Audit Committee;
Chairman; J A Dobson
Members; C D Boyce; G R Rohloff; S M Henderson

The Audit Committee is responsible to the Board for the appointment of the external auditors. It also monitors both the internal and external audit functions. In addition, the auditors are also able to communicate directly with the Chairman of the Audit Committee at any time.

The Committee recommends the adoption of the Annual Report and Financial Statements to the Board. In addition, the Committee is responsible for ensuring that the Group has effective internal controls.

The Audit Committee also addresses taxation matters pertaining to the Group and ensures the Group complies with all relevant taxation legislation.

Nomination Committee;
The Nomination Committee consists of all members of the Board.

The Nomination Committee is responsible for selecting appropriate nominees for election as Directors.

Remuneration Committee;
The Remuneration Committee consists of all members of the Board.

The Remuneration Committee is responsible for ensuring that fees paid to Directors and senior employees assist in attracting and maintaining talented and motivated Directors and senior employees as a way of enhancing the performance of the company and the value for shareholders. This Committee is responsible for setting and reviewing the human resources structure, strategy and policy for the company. It reviews the performance of the senior executives.

Indemnities and Insurance
The company has effected Directors' and Officers' Liability Insurance and Statutory Liabilities and Defence Costs Insurance on behalf of the Directors and Officers. The company has also entered into indemnities with Directors

and Officers as required by the company's constitution. The insurance and indemnity do not cover liabilities arising from criminal action. Directors have completed Certificates of Indemnity and Insurance as required by Section 162 of the Companies Act 1993.

Disclosures of Interest

Directors Of Related Companies Including Subsidiaries

As at 30 April 2015, Craig David Boyce, John Allen Dobson, Gary Raymond Rohloff; Sheena Moana Henderson and Richard Hellings are Directors of the following companies:

- Smiths City Group Limited
- Smiths City Finance Limited
- SCG Finance Limited
- Smiths City (Southern) Limited
- Smiths City Properties Limited

(Note Mr Hellings retired as Director 29.5.15 and no replacement has been appointed as yet)

As at 30 April 2015,Craig David Boyce and Richard Hellings are Directors of the following companies:

- Debt Recovery and Legal Services Limited – formerly Smiths City (Auckland) Limited
- Smiths City (Nelson) Limited
- Smiths DIY (Southern) Limited
- Smiths City (Wellington) Limited
- Smiths City (Christchurch) Limited
- Quintana Investments Limited
- Powerstore Limited
- Alectra Limited
- Furniture Concepts (2004) Limited
- L V Martin & Son Limited

(Note Mr Hellings retired as Director 29.5.15 and Mr J A Dobson has been appointed from that date).

Craig David Boyce and John Allen Dobson are Directors of the following company:

- Smiths City Staff Share Plan Trustee Limited

Disclosures Of Interest

Directors have disclosed the following interests as directors, trustees, members or employees of companies or other entities which may have material dealings with the company from time to time as at 30 April 2015.

C D BOYCE (Chairman)

- Datacom Group Limited
- Progressive Leathers Limited
- Ovation (New Zealand) Limited
- Extra Strength No 164 Limited
- Transdiesel Limited
- Farmlands Cooperative Society Limited
- Horizon Farms Limited
- Snowy Peak Group Limited

J A DOBSON (Deputy Chairman)

- J A Dobson Limited
- Craigpine Timber Limited

R HELLINGS

(Note Mr Hellings retired as Director 29.5.15 and no replacement has been appointed as yet)

- Retail Management Services 2000 Limited
- Adventure Brands Limited
- Ferrymead Park Limited (Honorary Chairman)
- NARTA NZ Limited

G R ROHLOFF

- Number One Shoes Limited
- Hellaby Holdings

S M HENDERSON

- Radio New Zealand
- Young Enterprise Trust
- New Zealand Pork Industry
- Cluster Limited

Gender Composition of Directors and Officers

A breakdown of gender composition of Directors and Officers as at April 2015 is shown below:

	FEMALE	MALE
Directors	1	4
Officers*		5

* An Officer is defined in accordance with Sub Part 2 of Part 2 of the Securities Markets Act 1988.

The company does not have a formal Diversity Policy.

Share Trading Protocol

The company has adopted a formal procedure governing the sale and purchase of the company's securities by Directors and employees. All Directors and employees must act in accordance with this procedure and the requirements of the Financial Markets Conduct Act 2013.

The procedure requires employees to obtain the written consent of a Director, or in the case of a Director, of the Chairman of the Board, prior to trading in the company's shares. Generally, this consent will only be given in respect of trading in the 60 day period following the announcement of the company's half year and annual results.

Communication With Shareholders

The company has communicated directly with its shareholders via the half yearly report and the annual report and through their attendance at the annual meeting. It has also communicated indirectly via announcements through the NZX on a number of occasions.

In complying with company disclosure policy there have been no other obligatory communications to shareholders.

Use Of Company Information

During the year the Board did not receive any notices from Directors of the company requesting the use of company information received in their capacity as Directors which would otherwise not have been available to them.

General Disclosures

Report And Financial Statements

Your Directors are pleased to submit to shareholders their Report and Financial Statements for the year ended 30 April 2015.

Principal Activities

Smiths City Group Limited is a New Zealand based and operated company. It has three principal activities being:

- Retail Trading – the retailing of consumer electronic products, kitchen appliances, home heating solutions, home furnishings and sporting goods through the Smiths City, Powerstore and L V Martin brands. In addition, Alectra provides installation and after sales services to retail activities, all through Smiths City (Southern) Limited.

- Finance – the provision of finance by Smiths City Finance Limited to support the retailing operation.

- Property – Smiths City Properties Limited owns the flagship Colombo Street retail property in central Christchurch and also takes advantage of opportunities to develop and enhance retail premises for the Group.

Profit

The Group net profit after taxation was $8.0m – compared with last year's $4.1m. Earnings per share was 15.2cents compared with 7.7cents last year.

Financial Statements

The financial statements for the Parent and Group for the year ended 30 April 2015 are shown on pages 9 to 47 in this report.

Changes in Accounting Policies

In preparing these financial statements the accounting policies outlined in Note 3 to the financial statements have been applied.

There were no significant changes in accounting policies during the year.

State of Affairs

The Directors are of the opinion that the state of affairs of the Group is satisfactory. Details of the period under review are included in the Directors Report, and the audited financial statements.

Shareholders' Equity

Shareholders' equity as at 30 April 2015 was $49.6m, up on prior year $43.0m.

Dividend

The Directors have approved an unimputed final dividend of 2.5cents (last year 2.5cents) to be paid on 14 August 2015. This brings the dividend to 3.5cents for the full year (last year 3.5cents).

Significant Events During The Year

The details of these are explained fully in the Directors Report.

Events Subsequent To Balance Date

There were no significant events subsequent to balance date.

Attendance At Meetings

Directors attended the following meetings during the year:

	BOARD MEETINGS		AUDIT COMMITTEE	
	No of meetings	No attended	No of meetings	No attended
C D Boyce	10	9	4	3
J A Dobson	10	10	4	4
G R Rohloff	10	10	4	4
L N E Bunt	10	5	4	2
S Henderson	10	3	4	1
R Hellings**	10	10	4	4

*Observer at Audit Committee

*Note:Mr Hellings retired as a Director 29 May 2015

The Remuneration Committee met once during the year.

The Nomination Committee had no business arising during the year therefore no meetings were held.

In lieu of the Nomination Committee (which consists of all Board members) the Board of Directors, after full discussion and consideration of the skills required for the Group, resolved unanimously in December 2014 to appoint Ms Sheena Henderson as a Director. Ms Henderson accepted this appointment in December 2014. Her appointment is referred to in the Directors Report.

Mr L N Bunt resigned as Director for personal reasons in October 2014 and the Board accepted his resignation at that time.

Remuneration And Benefits

The Board seeks independent advice before recommending to shareholders any increase in the maximum level of Directors' fees payable. The Directors' fees are currently a maximum of $314,743 as approved at the 2014 Annual Meeting of shareholders.

CPI increases are to be applied thereafter on an annual basis with the overall level to be reviewed every three years by an independent expert. The next review will be for the year ended 30 April 2016.

Whilst the CPI increase in the current year is 0.1% the Directors have decided against taking any increase this year.

The fees paid to Directors for services in their capacity as Directors during the year ended 30 April 2015 were:

	Directors' Fees	Other Services	Total Remuneration
NON EXECUTIVE DIRECTORS			
C D Boyce	**90.000**	**-**	**90,000**
J A Dobson	**68,500**	**-**	**68,500**
G R Rohloff	**53,500**	**-**	**53,500**
L N E Bunt	**0**	**-**	**24,313**
S M Henderson	**53,500**	**-**	**22,292**
	265,500	**-**	**258,605**
EXECUTIVE DIRECTOR			
R Hellings	**-**	**369,200**	**369,200**

Note

- Ms S M Henderson was appointed to the Board 1 December 2014.
- Mr L N E Bunt was appointed to the Board 15 April 2014 and attended his first Board meeting post balance date 12 May 2014. Mr Bunt resigned from the Board on 20 October 2014.

Remuneration to Auditors

The fee for the audit of the Group and subsidiaries paid to KPMG was $78,000 (2014 $73,000).

Fees paid to the auditors for other services provided amounted to $7,000 (2014 $29,600).

Share Dealings By Directors

The company received no notices of share trading from the Directors during the current year. At balance date Directors and their associates held interests in the following shares.

	Balance 30.4.14	Purchases	Sales	Balance 30.4.15
C D Boyce	**1,648,372**	**-**	**-**	**1,648,372**
J A Dobson	**251,579**	**-**	**-**	**251,579**
R Hellings	**2,918,909**	**-**	**-**	**2,918,909**

Further Information

For information on Disclosure of Interest by Directors, Use of Company Information and Insurances refer to the Governance Report on pages 50-53.

Additional Company Information and Security Holder Disclosures

Executive Employees Remuneration

During the year the following numbers of employees received remuneration of at least $100,000.

REMUNERATION	NUMBER OF EMPLOYEES
$100,000-$109,999	2
$110,000-$119,999	4
$120,000-$129,999	3
$130,000-$139,999	1
$140,000-$149,999	1
$210,000-$219,999	1
$220,000-$229,999	1
$250,000-$259,999	1
$300,000-$309,999	1
Total	15

Substantial Security Holders

The following are Substantial Security Holders as at 19 June 2015 as defined by the Securities Markets Act 1988 (refer also to details of Largest Registered Holders of Equity Securities on page 57 for further information):

Substantial Security Holder	Number Of Voting Securities With Beneficial Interest	Number Of Voting Securities With No Beneficial Interest
Guaranty Finance Investors LLC; Campbell Associates and LCS Charitable Remainder Unitrust/ Custodial Services Limited	9,790,302	-
Utilico Investments Limited/ NZ Central Securities Depository Limited	8,981,326	-
Douglas Carrick Belton	2,140,134	1,020,000
Richard Hellings/ Retail Management Services 2000 Limited	2,916,409	2,500

Distribution Of Registered Holders Of Equity Securities As At 19 June 2015

RANGES	NUMBER OF HOLDERS	NUMBER OF SECURITIES	%
1-1,000	250	173,256	0.33
1,001-5,000	591	1,526,505	2.90
5,001-10,000	221	1,785,140	3.39
10,001-50,000	251	5,922,732	11.24
50,001-100,000	36	2,578,988	4.89
100,001 and above	48	40,701,532	77.25
	1,397	52,688,153	100.00

Distribution Of Registered Holders Of Equity Securities As At 19 June 2015

COUNTRY	INVESTORS	NUMBER OF SECURITIES	%
New Zealand	1,360	52,142,301	98.96
Australia	21	326,598	0.62
Cook Islands	1	53,750	0.10
France	1	800	0.00
United Kingdom	9	153,949	0.29
Hong Kong	1	2,000	0.01
Oman	1	4,000	0.01
United States	3	4,755	0.01
	1,397	52,688,153	100.00

20 Largest Registered Holders Of Equity Securities As 19 June 2015

HOLDER NAME	BALANCE	%
Custodial Services Limited	9,790,302	18.58
New Zealand Central Securities Depository Limited	8,981,326	17.05
Retail Management Services 2000 Limited	2,861,409	5.43
Paradise Finance Limited	2,621,100	4.97
Douglas Carrick Belton	2,140,134	4.06
Extra Strength Number 164 Limited	1,648,372	3.13
David Lyall Holdings	1,500,000	2.85
Garrett Smythe Limited	1,087,000	2.06
Joan Edith Belton	1,000,500	1.90
Forsyth Barr Custodians Limited	898,473	1.71
Forsyth Barr Custodians Limited	814,473	1.55
Russell Dillon Horlor	550,000	1.04
Gordon Henry Boyle	520,087	0.99
Peter Maskery & Nigel Maskery & James Prouse	357,143	0.68
John Kenneth Woodhall & Jocelyn Dawn Woodhall	300,000	0.57
Errol Douglas George Scott	284,654	0.54
Lindsay Morton Walter	275,000	0.52
Garry John Cooper	263,861	0.50
Murray Lesley Watson	255,241	0.48
J A Dobson & P S Dobson & J R Thomson & N S Anderson	251,579	0.48
TOTAL FOR 20 LARGEST	36,400,654	69.09

Environment

The Group is committed to only utilising practices which will minimise environmental and social impact. It has embarked on a policy of actively identifying practices where the impact on the environment can be reduced.

The Group recycles materials extracted from washing machines and refrigerators, collects and properly disposes of refrigerant gases and recycles packaging cartons and printer cartridges. The Group also assists with recycling second hand goods through the operation of its chain of clearance centres.

The Group has sought and received assurances from its suppliers that furniture products imported from overseas are manufactured from timbers grown in sustainable forests and not rain forests. Smiths City is a member of the New Zealand Imported Tropical Timber Group. Members are committed to purchase wooden furniture produced only from renewable and sustainable timber.

The Group will continue to expand its practices to reduce waste and slow the use of primary resources.

Community Support

Being involved in the Community is seen as very important to the Group. For example the company allocated free of charge during the year the Managing Director's time, until he retired from the company, in overseeing the Ferrymead Heritage Park Limited – a Christchurch based historical park incorporating a childrens' education program, a tourist park and multiple heritage building and asset maintenance programs – management company.

In addition the Group are Gold Sponsors of both the IHC and Ronald McDonald House in Canterbury and is a small sponsor of the Santa Parade in Christchurch.

The Group extensively supports charitable organisations in its many locations by involvement in fund raising activities such as raffles and lotteries. Much of this effort is put into raising funds in conjunction with the Group's retail and media partners.

During the year the Group also continued to make donations in cash or product in support of local charities. Total company expenditure for donations and sponsorship was $0.088m (2014 $0.058m).

Our people who were part of the Smiths City Group of companies May 2015

ABERHART Neville
ABERNETHY Glenn
ADAMS Angela
ADIE Shaun
AITCHESON Liam
AITCHESON Ross
ALLAN Tony
ALLAN Grant
ALLEN Diane
ALLERBY Ezra
ALMOND Annette
ALMOND Hula
AMYES Keith
ANDERSON Garry
ANDERSON Rick
ANDERSON Janelle
ANDREWS Shona
ARMSTRONG Brian
ATTEWELL Rebecca
AUSTIN John
AYERS Sarah-Lee
BAHRAINWALA Husein
BAILEY Bernadette
BAILEY Carmen
BAILEY Lisa
BAKER Pip
BAKER Tom
BALFOUR Craig
BANDESHA Jyoti
BANKS Sam
BARBER Amber
BARDELL Warren
BARNAO Barney
BARNES Mark
BARNES Michael
BATCHELOR Jessie
BATELY Grahame
BECKLEY Grant
BEECHER Nigel
BEECROFT Gracie
BENNIE Christine
BENSEMANN Christine
BEST Rick
BEZUIDENHOUT Robert
BHOGAL Ron
BIDDINGTON Blair
BILLING Andrew
BISHOP Lyndsey
BISHOPP Jason
BLACK Kenneth
BLACKWELL Simon
BOWDEN Kirsty
BRACEWELL Mark
BRADLEY Steve
BRANIFF Daniel
BREACH Bonnie
BREWER Lisa
BRIGGS Jamie
BRINER Amy
BROOK Shane
BRYAN Jesse
BUGDEN Matthew
BUICK Joel
BURGESS Chris
BURNEY Kate
BURROWS Margaret
BURROWS Shane
BURTENSHAW Alec
BURTON Ann
BYERS Jacob
CALLAHAN Simon
CALLISTER Carolyn
CAMPBELL Gail
CAMPBELL Morgan
CAMPBELL Roy
CARLAW Lisa
CARREL Teresa
CARSON Aaron
CARSTON Paul
CARTER Danielle
CARVELL Nicole
CASKIE Sandra
CATTERMOLE Wal
CHAIPANIT Ning
CHALLIS Karl
CHERRY Taine
CHING Marcia
CHONG Sharon
CHRISTENSEN Mark
CHRISTIAN Marcus
CHRISTIANSEN Stephen
CLARK Jim
CLAXTON Jeremy
CLELAND Kerry
CLEVERLEY Lynne
COFFEY Sandra
COFFEY Mike
COKER Bob
COLLINS Rachael
COOK Ralph
COOK Peter
COOKE Corey
COOPER Michael
COSTA Marco
COSTER Scott
COTTER Shenelle
COUTTS Toni
COX Jakeb
CRAIG Sheila
CRANSTOUN Orlana
CRAVEN Rebecca
CRICHTON Lance
CROSS Daisy
CROTON Barry
CULHAM Ross
CUNNINGHAM Ian
CURTIS Karen
CURTIS Kerri
DALTON Michelle
DALY Brian
DALY Margaret
DARLING Kellie
DAVESCOVICH-BUTCHER. . . . . Lynne
DAVIDSON Chris
DAVIES Lynn
DAWES Brent
DEANS Steven
DELANY Joanne
DELIS Sarndra
DELIS Terry
DELPORT Travis
DHAWAN Rajat
DHIR Mamta
DHOLA Pankaj
DICKIE Adam
DICKIE Peter
DICKSON Colin
DID-DELL Philip
DID-DELL Tim
DILLIMORE Michelle
DINGLE Mihi
DOAKE Anthony
DODDS Donna
DOELEMAN Hans
DOIG Roan
DONACHIE Hannah
DONALD Jessica
DONALDSON Diana
DONALDSON Peter
DONGHI Toni
DORRANCE Aleks
DOUGHERTY Mike
DUDLEY Dawn
DUMBAR Brittany
DUNCAN Adrienne
DUNSTAN Farron
EARL Fallon
EASTERBROOK Alistair
EDIE Michael
EDINGTON John
EDMUNDSON Nicholas
EGGERS Bronwyn
ELLIS John
ELLIS Jodie
ELLIS Mike
ELPHINSTONE-HAYES RoseMary
ERICKSEN Rebecca
EWAN Emily
FAIRBRASS Leslie
FAIRHURST Chelsea
FALWASSER Kingi
FALWASSER Paul
FEARN Richard
FENEMORE Adam
FERRIS Ben
FIELD Warren
FIFITA Leroy
FINCH Simon
FIRTH Hannah
FLEMING Nigel
FORBES Jayden
FORSTER Marie
FOSTER Jean
FOX Ashley
FREW Jason
FRY Pam
FULTON Grant
GAINES Sharon
GAJJAR Jignesh
GALLAGHER Michael
GALT Jared
GALT John
GARDNER Lynley
GAUR Parteek
GIBBINS Robert
GIBLIN James
GIBSON Haley
GILL Olivia
GODFREY Sam
GODMAN Stefan
GOODALL Geoff
GOODARE Stephanie
GOODWIN Phillip
GORT Doug
GRANGER Antony
GRANT Daniel
GRANT Suzy
GRANT Judy
GRATTON Stefan
GRAVER Marilyn
GREDIG Barry
GRIFFITHS Michael
GROWCOTT Kieran
HAGUE Matt
HAILES Melissa
HALL Gary
HALL Ryley
HALLIGAN Andrew
HALLINAN Scott
HAMPL Jaromir
HANNAN John
HANSEN Dennis
HANSEN Stanley
HARDING Fonda
HARGRAVES Fiona
HARKNESS Paulette
HARPUR Sam
HARRIS Marc
HARTSTONGE Trevor
HARVEY Darryn
HARVEY Jason
HARVEY-MAY Matthew
HASLEMORE Karen
HAURAKI Olga
HAWES Joel
HAWKE Mike
HAWKE Greg
HAZLETON Maureen
HEANEY Michelle
HEARN Stephen
HEDLEY Kyle
HELLIER Joanne
HENDERSON Glenys
HENDERSON Yvonne
HENEY Jacinta
HERBERT Sam
HESSON Philip
HEWLETT Brent
HEY John
HICKMAN Brent
HILL Alicia
HOBBS Joshua
HODGSON Rochelle
HOEFLICH Elaine
HOGARTH Christine
HOLDER Richard
HOLLOWAY Alex
HOLM Paul
HOLST James
HOOD Marcus
HOPKINS Mark
HORSBURGH Kathryn
HORSCROFT Michael
HORVATH John
HOY David
HUDSON Fred
HUDSON Patrick
HUFFAM Aaron
HUGHES Brendan
HUMPHREY Lynne
HUMPHREY Stuart
HUNT Toni
HUNTER David
IELUA Lalio
ISAAKO TOALEPAI Leaso
JARVIS Chris
JENKINS Andrea
JENKINS Leeanne
JENKINS Ray
JENKINS Bryce
JERVOUS-CHENERY Wayne
JOBSON Peter
JOBSON Albie
JOHN Rhys
JOHNS Matthew
JOHNSON Allan
JOHNSON Dayne
JOHNSON Laureen
JOHNSON Marcus
JOHNSON Kristine
JOHNSON Shane
JOHNSTON Derek
JOHNSTON Lois
JOHNSTON Paul
JOHNSTON Todd
JONES Daniel
JONES Lee
JONES Lindon
JOPE Kerrin
JOYCE Graeme
JURY Lisa
KAPOOR Raman
KAREKARE Ami
KARLYTZKY Antony
KARYSTINOS Konstantinos
KAUI Anna
KAUR Rupinder
KENNACH William
KENT Brendan
KEREAMA Liam
KERR Rowan
KERR Gavin
KIDWELL La
KILLEEN William
KIMBERLEY-CHANDRE Cuchulain
KING Russell
KIRK Melanie
KIRNER Jackie
KITTO Alexandra
KNEBEL Nicky
KNIGHT Fiona
KNOWLER Michael
KNUTSON Erin
KOIA Alison
KOOPS Kerri-Anne
KUMAR Alvin
KUMAR Vivek
LADBROOK Michelle
LAL Madan
LAL Shaneel
LAMB Bryan
LAMB Samantha
LAMB Tyler
LAMB Nicholas
LAMBERT Nathan
LANCASTER Vickie
LANGE Colin
LATIF Julianna
LATIMER Brett
LATTA Sally
LAWSON Tony
LAY Jeffrey
LE COMTE Clinton
LEARMOND Bob
LECKIE Martin
LEE Brian
LEE Sim
LESA Faamoemoe
LEWIS Ian
LEWIS Matthew
LEWIS Philip
LIENERT Andrew
LIND Joyce
LINDSAY Mark
LINTON Kevin
LIPMAN Scott
LIST Gavin
LITTLE Nathan
LITTLE Samantha
LLORICO Emilio
LLOYD Grant
LOCKIE Hadyn
LORMANS Vince
LOUGH David
LOUGH Braiden
LOW Nathan
LOWE Anthony
LUAFUTU Lino
LUSCOMBE William
LUSTY Alisha
MacASKILL Anna
MacDONALD Noel
MacDONALD Robyn
MacKAY Ken
MacKAY Rachael
MacKENZIE Michael
MAGON Melissa
MAKKER Suniti
MALHI Kamaljeet
MANDER Jayne
MANNING Michelle
MARKS Laurence
MARSTERS James
MARTIN Brett
MARTIN Fiona
MARUNUI Rangi
MASTER-SIMELHAY Connor
MATHER Emma
MATTHEWS Shane
MATTSON Rachel
MATZENBACHER Bernardo
MAUI Kerry
MAXTED James
McCANN Quenton
McCLURE Susanne
McCONCHIE Susan
McCUTCHEON Vanessa
McDONALD Robyn
McDONALD Siusann
McDOWELL Katie
McEWAN Russell
McFADDEN Bruce
McFADDEN Dayle
McFARLANE Sue
McFELIN Lyn
McINTOSH Jodie
McINTOSH Quinton
McIVOR Bronagh
McIVOR Tania
McKENZIE Josh
McKINNON Neil
MCLAUGHLAN Mark
McLEAN Anton
McLEARY Carmen
McMILLAN Lance
McPARLAND Troy
MEAD Donald
MEIKLE Judy
MELIS Karen
MIHAERE Barbara
MILDENHALL Barry
MILLAR Brendon
MILLER Paul
MILLNS Diane
MILNE Nicholas
MILNE Sandie
MINNEE Eugene
MITCHELL Elizabeth
MITCHELL Loui
MITCHELL Trish
MONTGOMERY Danielle
MOORE David
MOORE Jessica
MOORE Shane
MORGAN Kevin
MORRIS Adam
MUIR Dianne
MURDOCH Kevin
MURDOCH Kevin
MURPHY Alexandra
MURRAY Warren
MYTTON Scott
NAIR Rajesh
NALLY Terence
NAND Dineshwar
NEILSON Patrick
NEPATA Paki
NEWBY Paul
NEWMAN Debbie
NEWMAN Nikita
NEWTH Alan
NEWTH Alan
NG Denny
NICHOLSON Fran
NICHOLSON Sasha
NIELSON Michael
NIVEN Lorraine
NOSSITER Gwendolin
NUDD Simon
O'CARROLL Kay
O'CARROLL Mark
O'CONNOR Rose
OFFICER Gillian
OGDEN David
O'HALLORAN Nicola
OLIVER Faye
OLSEN Darcey
OLSON Nichola
OMAR Farah
O'NEAL Rodney
O'NEILL David
OPETAIA Tania
ORANJE Josh
ORMANDY Tony
O'ROURKE Jeff
ORPIN Joanna
PAINE Garry
PALENSKI Natalie
PALMER Bruce
PANIRAU Phyllis
PARISH Andrew
PARK Deborah
PARKER Kyle
PATEL Vimal
PATHAK Parag
PAULEY Deanna
PAULIN Troy
PAYN Megan
PEAT Maureen
PEDOFSKY Anthony
PEPPING Jason
PEREIRA Lui
PERRY Liam
PETRIE Robin
PHILLIPS Sally
PIERCE Luke
PITCHER Brian
POHATU Lee-Sandra
PORT Heather
PRESTON Jason
PRIDDY Judith
PROUDFOOT Simon
RADFORD Grant
RAINE Cameron
RAMSAY Anthony
RANA Prateek
RATCLIFFE Chris
RAWIRI Stephanie
RAWSON-SMETS Cohen
REID Andy
REID Murray
REID Wayne
REID Andrew
REKITTKE Robert
REVELL Sean
RICE Lance
RICKARD Joanne
RICKERBY Cameron
RIETVELD Joanne
RIINI Melissa
RIINI John
RIVERS Linda
ROBERTS Barbara
ROBERTSON Craig
ROBISON Wendy
RODGERS Mark
ROGERS Ashley
ROGERS Kaye
RON Rosa
ROPER Stephen
ROSE Kathleen
ROSS Norman
ROSSITER Jason
ROSWELL Anton
ROWAN Paul
RUMBUL Maggie
RUSHTON Chantel
RUSSELL Michael
RUSSELL Tony
RUTHERFORD Heather
RYDER Keith
SAINI Nikhil
SALMON Steve
SATHIYANATHAN Abi
SATHIYANATHAN Praveena
SAVENIJE Michael
SAVIDAN Pamela
SAYERS Jamie
SCOTT Daniel
SCRIMGOUR James
SEDDON Rhys
SEDDON Lynne
SELBY Darren
SENEVIRATNE Tyrone
SHARFE Roger
SHARLAND Garry
SHARP Craig
SHAW Renae
SHEARY Robert
SHEVDE Karan
SICE Paul
SIDON Darrell
SIMCOCK Martin
SINGER Lauren
SINGH Bikram
SINGH Davender
SINGH Gagandeep
SINGH Rahul
SINGH Sandeep
SINGH Tejpal
SKINNER Damien
SMITH Doug
SMITH Jonathon
SMITH Kelly
SMITH Mary-Anne
SMITH Nathan
SMITH Peter
SMITH Dean
SMITH Margaret
SMITH Michael
SOLOFUTI Alatua
SOLOMON Tau
SPENCER Neil
STANTON Craig
STEWART Jim
STEWART Mathew
STOTHERS Jaye
STOTT Chris
STOWELL Megan
STOWERS Karl
STUART Janet
SULLIVAN Jennifer
SULLIVAN Sharon
SULLIVAN Sarah
SUTTON Paul
SWORD Tom
SYME Andrea
SYMONS Reginald
SZIGETVARY-URLICH Stefan
TA'ALA Cheyenne
TAHAPEEHI Tete
TAILOR Pramod
TAKITIMU Michaela
TANG Alan
TANGIITI Teri
TANIELU Christine
TAURIMA Dean
TAUTARI Mathew
TAYLOR Barbara
TAYLOR Jason
TAYLOR Jason
TAYLOR Rachael
TE MAIPI Robert
TE MIHA Tanginoa
TE RUPE Nan
TEASDALE Rory
TEBAY Russell
TE-EVALE Suli
TEMARAMA Daniel
THOMAS Jessica
THOMAS Paul
THOMPSON Michelle-Leigh
THOMSEN Christine
THOMSON Murray
THORESEN Tracey
THORMAN Gary
THORNE Jessica
TILLY Warwick
TINDALL Gregg
TOA-TEMARAMA Lewis
TOA-TEMARAMA Tyson
TODD James
TONKIN Nicki
TONKIN Victor
TONKIN Paul
TOPP Julie
TOZER Patrick
TRAINOR Paul
TRANG Jean
TREMAIN Gemma
TREWEEK Julie
TROCHON Stefan
TSAO Daniel
TUCK Kendra
TURCHIE Craig
TWEEDDALE Beverley
TWIST Michelle
VAIKVEE Davin
VALDEZ Connie
VALE Kimberley
VAN DER AA Kim
VAN DER LEM Martin
VAN ROOY Logan
VAN ROOY Logan
VAN-GELDER Chris
VEERAPUTHARAN Vick
WADE Casey
WAITAIKI Carl
WALKER Garry
WALKER Max
WALKER Ross
WALTERS John
WARD Judi
WATSON Andrew
WATTON Nathaniel
WEBER Connor
WEEKLY Peter
WEEKS Andrew
WEIR Ashleigh
WEIR Karen
WEIR Susan
WELLS Carl
WHEELER Kimberly
WHILES-CLARRY Stephen
WHITE Maru
WHITE Merlita
WHITE Jan
WHITESIDE Michael
WICKS Susan
WIHAPI Laura
WILKES Rachael
WILLIAMS Shane
WILLIAMSON Ngaire
WILLIS Darcie
WILLIS Nola
WILSON Owen
WILSON Tony
WILSON Daniel
WINDERS Jonathon
WINEERA Melanie
WINTER Paula
WOOD Sharon
WOOD Stephen
WORSLEY Anthony
WROBLEWSKI Krysztof
WYLIE Hayden
WYLLIE Paul
YOUNG Peter
YOUNG Pru
YOUNG Tony
ZIJLSTRA Zara
ZILINSKAS Veronica

DIRECTORS

BOYCE Craig
DOBSON John
HELLINGS Rick
HENDERSON Sheena
ROHLOFF Gary

CHIEF EXECUTIVE

CAMPBELL Roy

Store Locations 2014