

Section C – Model financial statements for the year ended 31 December 2009

Illustrative example of general purpose financial statements prepared in accordance with the FRA, the Companies Act 1993 and Standards and Interpretations issued by the FRSB and approved by the ASRB which include NZ IFRS.

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About these model financial statements

New Zealand International Financial Reporting Standards

For certain entities, annual financial statements prepared in respect of reporting periods beginning on or after 1 January 2007 must be prepared in accordance with NZ IFRS. Accordingly, this model provides an illustrative example of annual financial statements prepared under NZ IFRS for the reporting period ending 31 December 2009 (incorporating applicable and relevant NZ IFRS approved as at 15 December 2009). It also contains additional disclosures that are considered to be best practice, particularly where such disclosures are included in illustrative examples provided within a specific Standard.

Green Dot Holdings Limited is assumed to have presented financial statements in accordance with NZ IFRS for a number of years. Therefore, this is not a first time adopter of NZ IFRS. Readers should refer to NZ IFRS 1 *First-time Adoption of New Zealand equivalents to International Financial Reporting Standards* for specific requirements regarding an entity's first NZ IFRS financial statements, and to the IFRS 1 section of Deloitte's Presentation and Disclosure Checklist for details of the particular disclosure requirements applicable for first-time adopters.

In these 2009 model financial statements, we have illustrated a number of recent changes in financial reporting, effective for reporting periods beginning on or after 1 January 2009, including:

- the adoption of NZ IAS 1 *Presentation of Financial Statements (revised 2007)* and the consequential amendments to other standards;
- the adoption of NZ IFRS 8 *Operating Segments*; and
- the amendments to NZ IFRS 7 *Financial Instruments: Disclosures*.

Guidance material has been included in these model financial statements in commentary boxes.

Alternative treatments permitted

For the purposes of presenting the income statement and statement of comprehensive income, some of the various alternatives allowed under NZ IFRS for those statements have been illustrated. Preparers should select the alternatives most appropriate to their circumstances.

A number of NZ IFRS permit entities to choose between alternative treatments. The accounting policies selected for these model financial statements are set out in note 2.

Amounts Presented

The amounts presented in these model financial statements are not intended to represent a reflection of the commercial and economic environment at 31 December. Accordingly foreign exchange rates, interest rates (etc) should not be considered to be a reasonable reflection of actual rates at 31 December.

Nil balances

Note that in these model financial statements we have frequently included line items for which a nil amount is shown to illustrate items that, although not applicable to Green Dot Holdings Limited, are commonly encountered in practice. This does not mean that we have illustrated all possible disclosures. Nor should it be taken to mean that, in practice, entities are required to display line items for such "nil" amounts.

Designation of liability

At various places we have demonstrated the impact of designating a liability (in this case, redeemable cumulative preference shares) as fair value through profit or loss (FVTPL). The main text illustrates the presentation and disclosures required where these instruments are carried at amortised cost. Additional notes demonstrating the effect of the FVTPL designation are provided in note 32 and 41 of the model financial statements for your reference.

Differential reporting

Reporting entities that are qualifying entities under the Framework for Differential Reporting are allowed exemptions from certain disclosures and measurement requirements of NZ IFRS. These exemptions have been highlighted throughout the model financial statements by a vertical border against the far left margin of the 'source' column.

Other information in an annual report

We have also included some discussion and examples of other matters that would typically be included in an entity's annual report, including:

- the requirements of s.211 of the Companies Act 1993; and
- other requirements and guidelines, including those of the New Zealand Stock Exchange ("NZX") Listing Rules and New Zealand Securities Legislation.



About these model financial statements

Exclusions

These model financial statements do not, and cannot be expected to cover all situations that may be encountered in practice. Therefore, knowledge of the disclosure provisions of the relevant legislation and NZ IFRS are pre-requisites for the preparation of financial statements.

Specifically, these model financial statements do not provide guidance on the 'public benefit entity' disclosure requirements of NZ IFRS and the disclosure requirements of the following Standards:

- NZ IFRS 4 *Insurance Contracts*
- NZ IFRS 6 *Exploration for and Evaluation of Mineral Resources*
- NZ IAS 1 *Presentation of Financial Statements (revised 2007), in relation to a Statement of Service Performance only*
- NZ IAS 29 *Financial Reporting in Hyperinflationary Economies*
- NZ IAS 34 *Interim Financial Reporting*
- NZ IAS 41 *Agriculture*
- FRS 42 *Prospective Financial Statements*
- FRS 43 *Summary Financial Statements*

In addition a number of Interpretations (NZ IFRIC and NZ SIC) have not been demonstrated.

Unless otherwise stated, these model financial statements do not provide guidance on new or amended NZ IFRS where these are applicable to periods ending after 31 December 2009. Details of new and amended pronouncements which have not been adopted are included in note 2.4.3 to the model financial statements.

Source references

Suggested disclosures are cross referenced to the underlying requirements of the relevant legislation and NZ IFRS in the left hand column of each page of these model financial statements. Where doubt exists as to the appropriate treatment examination of the source of the disclosure requirement is recommended.

Abbreviation/Term	What it stands for
ASRB	Accounting Standards Review Board (New Zealand).
CG Handbook	Corporate Governance in New Zealand, Principles and Guidelines: A Handbook for Directors, Executives and Advisors.
Co Act	Companies Act 1993.
FRA	Financial Reporting Act 1993.
FRS	Financial Reporting Standard.
FRSB	Financial Reporting Standards Board (New Zealand).
GAAP	Generally Accepted Accounting Practice.
IAS	International Accounting Standard.
IASB	International Accounting Standards Board.
IFRIC	International Financial Reporting Interpretations Committee of the IASB. Also used to refer to the interpretations issued by this committee.
IFRS	International Financial Reporting Standards. IFRS incorporates IAS (inherited by the IASB from its predecessor body the IASC), IFRS (issued by the IASB) and the interpretations of both types of standards (SICs, IFRICs).
MED	Ministry of Economic Development.
NZICA	New Zealand Institute of Chartered Accountants.
NZ IAS	New Zealand equivalents to International Accounting Standards.
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards.
NZX	New Zealand Stock Exchange.
NZAX	New Zealand Alternative Market.
NZDX	New Zealand Debt Market.
NZSX	New Zealand Stock Market.
NZXGBPC	New Zealand Stock Exchange Corporate Governance Best Practice Code.
Qualifying Entity	An entity which qualifies for differential reporting concessions in accordance with the <i>Framework for Differential Reporting for Entities Applying the NZ IFRS Regime</i> .
Reporting Entity	Entities subject to legal requirements on financial reporting. Which entities constitute reporting entities has been reviewed by the MED and the proposals are open for comment.
SIC	Interpretation(s) issued by the Standing Interpretations Committee of the IASC, the predecessor committee to the IFRIC.



Directors' Responsibility Statement

CG Handbook Principle 4
Guideline 4.4

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of Green Dot Holdings Limited and Group as at 31 December 2009 and the results of their operations and cash flows for the year ended 31 December 2009.

The Directors consider that the financial statements of the Company and the Group have been prepared using accounting policies appropriate to the Company and Group circumstances, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable New Zealand equivalents to International Financial Reporting Standards have been followed.

The Directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Financial Reporting Act 1993.

CG Handbook Principle 6
Guideline 6.3

The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities.

Co Act s.208(1), 211(1)

The Directors are pleased to present the financial statements of Green Dot Holdings Limited for the year ended 31 December 2009.

Co Act s.211(1)(b),(k)
FRA s.10(1)(b), s.13(1)(b)

This annual report is dated 26 February 2010 and is signed in accordance with a resolution of the directors made pursuant to section 211(1)(k) of the Companies Act 1993.

For and on behalf of the Directors

CG Handbook Principle 4
Guideline 4.4

Director - Mr P.H. Taylor (CEO)

Director - Mr C.J. Chambers (Chairman)

CFO - Mr J.A. Williams

Audit Report

To the Shareholders of Green Dot Holdings Limited

We have audited the financial statements on pages C8 to C155. The financial statements provide information about the past financial performance and financial position of Green Dot Holdings Limited and group as at 31 December 2009. This information is stated in accordance with the accounting policies set out on pages C32 to C52.

Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of Green Dot Holdings Limited and group as at 31 December 2009 and of the results of their operations and cash flows for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the financial statements presented by the Board of Directors.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board of Directors in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the company and group circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor and the provision of taxation compliance services, we have no relationship with or interests in Green Dot Holdings Limited or any of its subsidiaries.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by Green Dot Holdings Limited as far as appears from our examination of those records; and
- the financial statements on pages C8 to C155:
 - comply with generally accepted accounting practice in New Zealand;
 - comply with International Financial Reporting Standards; and
 - give a true and fair view of the financial position of Green Dot Holdings Limited and group as at 31 December 2009 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 26 February 2010 and our unqualified opinion is expressed as at that date.

Deloitte
Chartered Accountants
AUCKLAND, NEW ZEALAND



Audit Report

COMMENTARY

Duty to form an opinion

Issuers

FRA s.15(1)

The Directors of an issuer must ensure that the financial statements of the issuer and, if the issuer is required to complete group financial statements, the group financial statements are audited.

FRA s.15(2)

The financial statements and any group financial statements must be audited by an auditor appointed or qualified for appointment under the Companies Act 1993. If the issuer is incorporated or registered under any other Act that provides for the appointment of an auditor, an auditor will be appointed under that Act. If the issuer is a public entity under the Public Audit Act 2001, the financial statements and any group financial statements will be audited by the Auditor-General.

NZSX/NZDX/NZAX Listing Rules 10.5.1

The New Zealand Stock Exchange Rules require the financial statements contained in the annual report of an issuer to be audited and accompanied by an audit report in accordance with the requirements of the Financial Reporting Act 1993 (the 'FRA').

Other

Co Act s.196

Overseas companies and other companies with overseas connections are generally required to appoint an auditor.

Other companies are required to appoint an auditor unless there is a unanimous resolution of shareholders at or before the annual meeting of shareholders. If the company is a public entity as defined in section 4 of the Public Audit Act 2001, the Auditor-General is automatically appointed its auditor.

Duty to report

Co Act s.205(1)

The auditor of a company must make a report to the shareholders on the financial statements audited by him or her.

Duty to inform

FRA s.16(2)

Where the auditor's report indicates that the requirements of the FRA have not been complied with, the auditor must, within 7 working days after signing the report, send a copy of the report and a copy of the financial statements and any group financial statements to which it relates, to the Registrar. The Registrar must send copies of the report and statements to the ASRB and, if the reporting entity or group to which the report and statements relate is an issuer, to the Securities Commission.

Contents of auditor's report

Co Act s.205(2)
FRA s.16(1)

The auditor's report must state the matters required to be stated in an auditor's report under the FRA which are:

- (a) the work done by the auditor; and*
- (b) the scope and limitations of the audit; and*
- (c) the existence of any relationship (other than that of auditor) which the auditor has with, or any interests which the auditor has in, the reporting entity or any of its subsidiaries; and*
- (d) whether the auditor has obtained all information and explanations that he or she has required; and*
- (e) whether, in the auditor's opinion, as far as appears from an examination of them, proper accounting records have been kept by the reporting entity; and*
- (f) whether, in the auditor's opinion, the financial statements and any group financial statements comply with generally accepted accounting practice, and, if they do not, the respects in which they fail to comply; and*
- (g) whether, in the auditor's opinion and having regard to any information or explanations that may have been added by the reporting entity, the financial statements and any group financial statements give a true and fair view of the matters to which they relate, and, if they do not, the respects in which they fail to give such a view.*



Format of the financial statements

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NZ IAS 1.10

A complete set of financial statements comprises:

- (a) *a statement of financial position as at the end of the period;*
- (b) *a statement of comprehensive income for the period;*
- (c) *a statement of changes in equity for the period;*
- (d) *a statement of cash flows for the period;*
- (e) *notes, comprising a summary of significant accounting policies and other explanatory information; and*
- (f) *a statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements*

An entity may use titles for the statements other than those used in the Standard.

NZ IAS 1.11

An entity shall present with equal prominence all of the financial statements in a complete set of financial statements.

NZ IAS 1.12,81

An entity may present the components of profit or loss either as part of a single statement of comprehensive income or in a separate income statement. When an income statement is presented it is part of a complete set of financial statements and shall be displayed immediately before the statement of comprehensive income.

General disclosures

Minimum general requirements relating to the format of the financial statements are included in NZ IAS 1 Presentation of Financial Statements (revised 2007) and NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and have been implicitly applied in these model financial statements. These include:

NZ IAS 1.49

- *the financial statements must be identified clearly and distinguished from other information in the same published document;*

NZ IAS 1.36

- *financial statements must be presented at least annually;*

NZ IAS 1.36

- *if the entity's reporting date changes and the annual financial statements are presented for a period longer or shorter than one year, the entity must disclose, in addition to the period covered by the financial statements:*

- (a) *the reason for using a longer or shorter period; and*
- (b) *the fact that amounts represented in the financial statements are not entirely comparable;*

NZ IAS 1.51

- *each financial statement and the notes must be identified clearly;*

NZ IAS 1.51(a)-(e)

- *the following information must be displayed prominently, and repeated where necessary for the information presented to be understandable:*
 - (a) *name of the reporting entity or other means of identification, and any change from the end of the preceding reporting period (for example, a change of name may be disclosed on the cover of the financial statements and repeated in the audit report and on the face of the financial statements);*
 - (b) *whether the financial statements are of an individual entity or a group of entities;*
 - (c) *date of the end of the reporting period or the period covered by the set of financial statements or notes;*
 - (d) *the presentation currency; and*
 - (e) *the level of rounding used in presenting amounts in the financial statements;*

NZ IAS 21.57

- *supplementary information may be provided in currencies different from an entity's functional or presentation currency if the entity:*

- (a) *clearly identifies the information as supplementary information to distinguish it from the information that complies with NZ IFRS;*
- (b) *discloses the currency in which the supplementary information is displayed; and*
- (c) *discloses the entity's functional currency and the method of translation used to determine the supplementary information;*

NZ IAS 1.45

- *the presentation and classification of items in the financial statements must be retained from one period to the next unless:*
 - (a) *it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate; or*
 - (b) *an NZ IFRS requires a change in presentation.*



Format of the financial statements

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NZ IAS 1.138

Specific disclosures

If not disclosed elsewhere in information published with the financial statements, the following information must be disclosed:

- (a) the domicile and legal form of the entity, country of incorporation and the address of its registered office (or principal place of business, if different from the registered office). For a listed entity, this information would normally be disclosed in additional stock exchange information. However, non-listed entities will need to ensure that this information is specifically included in the financial statements or the annual report which includes the financial statements. These disclosure requirements are illustrated in note 50 to the model financial statements;
- (b) a description of the nature of the entity's operations and its principal activities;
- (c) the name of the parent and the ultimate parent of the group; and
- (d) if the entity is a limited life entity, information regarding the length of its life.

Complying with NZ IAS 24 Related Party Disclosures disclosure requirements with respect to parent entities will ensure compliance with (c) above. This disclosure requirement is illustrated in note 43 to the model financial statements.

NZ IAS 1.112

Notes to the financial statements

The notes must:

- (a) present information about the basis of preparation of the financial statements and the specific accounting policies used;
- (b) disclose the information required by NZ IFRSs that is not presented elsewhere in the financial statements; and
- (c) provide information that is not presented elsewhere in the financial statements, but is relevant to an understanding of the financial statements.

NZ IAS 1.113

An entity must, as far as practicable, present notes in a systematic manner. An entity shall cross-reference each item in the statement of financial position, in the separate income statement (if presented), and in the statements of comprehensive income, changes in equity and cash flows to any related information in the notes.

NZ IAS 1.32

Offsetting

An entity should only offset assets and liabilities, or income and expenses, if it is required or permitted by an NZ IFRS.

NZ IAS 1.38

Comparative information

Except when NZ IFRSs permit or require otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information is included for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.

NZ IAS 1.41

When the presentation or classification of items in the financial statements is changed, comparative amounts are reclassified unless the reclassification is impracticable. When comparative amounts are reclassified, an entity discloses:

- (a) the nature of the reclassification;
- (b) the amount of each item or class of items that is reclassified; and
- (c) the reason for the reclassification.

NZ IAS 1.42

When it is impracticable to reclassify comparative amounts, an entity discloses:

- (a) the reason for not reclassifying the amounts; and
- (b) the nature of the adjustments that would have been made if the amounts had been reclassified.

NZ IAS 1.10(f)

A statement of financial position is required as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.



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Accounting policies

NZ IAS 1.117

An entity discloses in the summary of significant accounting policies:

- (a) the measurement basis (or bases) used in preparing the financial statements;
- (b) the other accounting policies used that are relevant to an understanding of the financial statements; and
- (c) the judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

NZ IAS 1.122

Applying changes to accounting policies

NZ IAS 8.14

An entity may only change an accounting policy if the change is required by an NZ IFRS or if the change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

NZ IAS 8.19,22-23

Except when it is impracticable to determine either period specific effects or the cumulative effect of a change:

- (a) an entity accounts for a change in accounting policy resulting from the initial application of a Standard or an Interpretation in accordance with the specific transitional provisions, if any, in that Standard or Interpretation; and
- (b) when an entity changes an accounting policy upon initial application of a Standard or an Interpretation that does not include specific transitional provisions, or changes an accounting policy voluntarily, it applies the change retrospectively and adjusts the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period are presented as if the new accounting policy had always been applied.

Limitations on retrospective application

NZ IAS 8.24

When it is impracticable to determine the period-specific effects, or the cumulative effect at the beginning of the current period, of changing an accounting policy on comparative information for one or more prior periods presented, the entity adjusts the comparative information as at the beginning of the earliest period for which retrospective application is practicable, adjusting the opening balance of each affected component of equity for that period.

NZ IAS 8.26

Retrospective application to a prior period is not practicable unless it is practicable to determine the cumulative effect on the amounts in both the opening and closing statements of financial position for that period. The amount of the resulting adjustment relating to periods before those presented in the financial statements is made to the opening balance of each affected component of equity of the earliest prior period presented. Usually the adjustment is made to retained earnings, however, it may be made to another component of equity.

The disclosure requirements with respect to changes in accounting policies are illustrated in note 2.4.

Errors made in prior periods

NZ IAS 8.42

Material prior period errors are retrospectively corrected in the first financial statements authorised for issue after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, or, if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

NZ IAS 8.43

However, to the extent that it is impracticable to determine either:

NZ IAS 8.44

- the period-specific effects of an error on comparative information for one or more prior periods presented; or
- the cumulative effect, at the beginning of the current period, of an error on all prior periods,

NZ IAS 8.45

the entity restates the comparative information to correct the error prospectively from the earliest date practicable.

NZ IAS 8.46

Therefore, the correction of a prior period error is excluded from profit or loss for the period in which the error is discovered. Any information presented about prior periods, including any historical summaries of financial data, is restated as far back as is practicable.

Disclosure of prior period errors

NZ IAS 8.49

An entity discloses, in respect of prior period errors:

- (a) the nature of the prior period error;
- (b) for each prior period presented, to the extent practicable, the amount of the correction:



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- (i) for each financial statement line item affected; and
- (ii) if NZ IAS 33 Earnings per Share applies to the entity, for basic and diluted earnings per share;
- (c) the amount of the correction at the beginning of the earliest prior period presented; and
- (d) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of the condition and a description of how and from when the error has been corrected.

Financial statements of subsequent periods need not repeat these disclosures.

Change in accounting estimates

NZ IAS 8.36

Where a change in an accounting estimate affects the current reporting period only, the effect of the change is recognised in profit or loss in the reporting period in which the accounting estimate is revised.

NZ IAS 8.36

Where the change in an accounting estimate affects both the current and future reporting periods, the effect of the change is recognised in profit or loss in the reporting period of the revision and in future reporting periods.

Changes to accounting estimates recognised in prior reporting periods are not applied with retrospective effect to prior reporting period financial statements.

Prospective financial information

NZ IAS 1.NZ 46.1

Where an entity has published prospective financial statements for the period of the financial statements, the entity presents a comparison of the prospective financial statements with the historical financial statements being reported. Explanations for major variations must be given.

NZ IAS 1.NZ 46.2

Legislative or other requirements may require a comparison with originally published information, the most recently published information, or both.

True and fair override

FRA s.11,14

Financial statements and notes thereto prepared to satisfy the reporting requirements of the FRA must comply with GAAP, even if compliance does not result in a true and fair view. Directors are required to provide additional information and explanations when compliance with GAAP would not give a true and fair view.

NZ IAS 1.15

Financial statements must present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the NZ Framework. The application of NZ IFRSs, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

NZ IAS 1.23

In the extremely rare circumstances in which management concludes that compliance with a requirement in an NZ IFRS would be so misleading that it would conflict with the objective of financial statements set out in the NZ Framework but the relevant regulatory framework prohibits departure from the requirement, the entity must, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing:

- (a) the title of the NZ IFRS in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in the NZ Framework; and
- (b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.

Materiality

NZ IAS 8.5

Omissions or misstatements of items are considered material if they could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Going concern basis

NZ IAS 1.25, NZ IAS 10.16

Where the financial statements are prepared on a going concern basis, but material uncertainties exist in relation to events or conditions which cast doubt on the entity's ability to continue as a going concern, those uncertainties shall be disclosed. The events or conditions requiring disclosure may arise after the reporting date.

NZ IAS 1.25,
NZ IAS 10.16

Where the going concern basis has not been used, this shall be disclosed, along with the reasons the entity is not regarded as a going concern and the basis on which the financial statements have been prepared. An entity shall not prepare its financial statements on a going concern basis if management determines after the reporting date either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so.



NZ IAS 1.10(b)
NZ IAS 1.51(c)

Statement of comprehensive income [Alt 1] for the year ended 31 December 2009

NZ IAS 1.51(b)

NZ IAS 1.51(d),(e),113

NZ IAS 1.82(a)

NZ IAS 1.85

NZ IAS 1.85

NZ IAS 1.82(c)

NZ IAS 1.99

NZ IAS 1.99

NZ IAS 1.99

NZ IAS 1.99

NZ IAS 1.99

NZ IAS 1.82(b)

NZ IAS 1.99

NZ IAS 1.99

NZ IAS 12.77

NZ IAS 1.82(d)

NZ IAS 1.85

NZ IAS 1.82(e)

NZ IFRS 5.33(a)

NZ IAS 1.82(f)

NZ IAS 1.82(g)

NZ IAS 1.82(g)

NZ IAS 1.82(g)

NZ IAS 1.82(g)

NZ IAS 1.82(g)

NZ IAS 1.82(h)

NZ IAS 1.82(g)

NZ IAS 1.91(b)

NZ IAS 1.82(g)

NZ IAS 1.85

NZ IAS 1.82(i)

Continuing operations

Notes	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
5	140,918	151,840	18,518	15,187
6	3,608	2,351	12,203	12,716
7	940	1,122	252	43
18	1,186	1,589	-	-
	(7,122)	2,118	(20)	40
	(70,393)	(85,406)	(1,905)	(2,462)
11.2	(1,219)	-	-	-
11.3	(11,193)	(13,878)	(48)	(45)
11.6	(9,803)	(11,655)	(5,068)	(4,951)
8	(5,034)	(6,023)	(2,933)	(1,653)
	(3,120)	(1,926)	-	-
	(9,220)	(7,994)	(930)	(902)
	29,548	32,138	20,069	17,973
9.1	(11,306)	(11,801)	(6,178)	(5,547)
	18,242	20,337	13,891	12,426

Discontinued operations

10.3	8,310	9,995	-	-
------	-------	-------	---	---

Profit for the year

Other comprehensive income

38.2	-	1,645	-	2
38.3	94	81	31	(55)
38.5	39	16	-	-
38.6	(12)	-	-	-
38.6	(50)	121	-	-
18	-	-	-	-
33	-	-	-	-
9.2, 9.8	(21)	(245)	(9)	16
	-	-	-	-

Other comprehensive income for the year net of tax

9.8	50	1,618	22	(37)
	26,602	31,950	13,913	12,389

Total comprehensive income for the year, net of tax



NZ IAS 1.12
NZ IAS 1.51(c)

Income Statement [Alt 2] for the year ended 31 December 2009

NZ IAS 1.51(b)

NZ IAS 1.51(d),(e),113

NZ IAS 1.82(a)

NZ IAS 1.99

NZ IAS 1.85

NZ IAS 1.85

NZ IAS 1.85

NZ IAS 1.82(c)

NZ IAS 1.99

NZ IAS 1.99

NZ IAS 1.99

NZ IAS 1.99

NZ IAS 1.82(b)

NZ IAS 1.99

NZ IAS 12.77A

NZ IAS 1.82(d)

NZ IAS 1.85

NZ IFRS 5.33A

NZ IAS 1.82(e)

NZ IFRS 5.33(a)

NZ IAS 1.82(f)

NZ IAS 1.83(a)

NZ IAS 1.83(a)

NZ IAS 33.67A

NZ IAS 33.66

NZ IAS 33.66

NZ IAS 33.66

NZ IAS 33.66

Continuing operations

Revenue

Cost of sales

Gross profit

Investment revenue

Other income

Share of profits of associates

Distribution expenses

Marketing expenses

Occupancy expenses

Administration expenses

Finance costs

Other expenses

Profit before tax

Income tax expense

Profit for the year from continuing operations

Discontinued operations

Profit for the year from discontinued operations

Profit for the year

Profit for the year is attributable to:

Equity holders of the parent

Minority interest

Earnings per share

From continuing and discontinued operations:

Basic (cents per share)

Diluted (cents per share)

From continuing operations:

Basic (cents per share)

Diluted (cents per share)

Notes	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
5	140,918	151,840	18,518	15,187
	(87,899)	(91,840)	(2,360)	(2,301)
	53,019	60,000	16,158	12,886
6	3,608	2,351	12,203	12,716
7	940	1,122	252	43
18	1,186	1,589	-	-
	(5,087)	(4,600)	(488)	(490)
	(3,293)	(2,247)	(292)	(212)
	(2,128)	(2,201)	(100)	(95)
	(11,001)	(15,124)	(4,681)	(5,180)
8	(5,034)	(6,023)	(2,933)	(1,653)
	(2,662)	(2,729)	(50)	(42)
	29,548	32,138	20,069	17,973
9.1	(11,306)	(11,801)	(6,178)	(5,547)
	18,242	20,337	13,891	12,426
10.3	8,310	9,995	-	-
7,11	26,552	30,332	13,891	12,426
39	22,552	27,569		
40	4,000	2,763		
	26,552	30,332		
12				
	121.0	129.9		
	111.4	124.1		
	76.4	82.8		
	70.5	79.1		

These financial statements should be read in conjunction with the notes to the financial statements on pages C32 to C155.

COMMENTARY

The format outlined above aggregates expenses according to their function, reflects a two-statement approach where a separate income statement is presented.

NZ IAS 1.12

See Alt 1 on the previous page for a discussion of the format of the statement of comprehensive income. Note that where the two-statement approach is adopted, the income statement must be displayed immediately before the statement of comprehensive income.



NZ IAS 1.10(b)
NZ IAS 1.51(c)

Statement of comprehensive income [Alt 2] for the year ended 31 December 2009

NZ IAS 1.51(b)

NZ IAS 1.51(d),(e),113

NZ IAS 1.82(f)

NZ IAS 1.82(g)

NZ IAS 1.82(g)

NZ IAS 1.92

NZ IAS 1.82(g)

NZ IAS 1.92

NZ IAS 1.82(g)

NZ IAS 1.92

NZ IAS 1.82(g)

NZ IAS 1.92

NZ IAS 1.82(h)

NZ IAS 1.82(g)

NZ IAS 1.91(b)

NZ IAS 1.82(i)

NZ IAS 1.83(b)

NZ IAS 1.83(b)

NZ IAS 1.12

	Notes	Group		Company	
		2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Profit for the year		26,552	30,332	13,891	12,426
Other comprehensive income					
Revaluation of properties					
Gains/(losses) on revaluation of properties	38.2	-	1,645	-	2
Available-for-sale financial assets					
Gains/(losses) arising during the year	38.3	94	81	31	(55)
Less reclassification adjustments for gains/(losses) included in profit or loss on disposal	38.3	-	-	-	-
		94	81	31	(55)
Cash flow hedges					
Gains/(losses) arising during the year	38.5	436	316	-	-
Less:					
Reclassification adjustments for gains/(losses) included in profit or loss	38.5	(128)	(89)	-	-
Adjustments for amounts transferred to initial carrying amount of hedged items	38.5	(269)	(211)	-	-
		39	16	-	-
Hedge of a net investment in a foreign operation					
Gains/(losses) arising during the year	38.6	(12)	-	-	-
Less reclassification adjustments for gains/(losses) included in profit or loss on disposal	38.6	-	-	-	-
		(12)	-	-	-
Translation of foreign operations					
Gains/(losses) arising during the year	38.6	75	121	-	-
Less reclassification adjustments for gains/(losses) included in profit or loss on disposal	38.6	(125)	-	-	-
		(50)	121	-	-
Other					
Share of other comprehensive income of associates	18	-	-	-	-
Increase/(decrease) arising from a change in existing commissioning, restoration or similar liabilities	33	-	-	-	-
Income tax relating to components of other comprehensive income	9.2,9.8	(21)	(245)	(9)	16
Other comprehensive income, net of tax	9.8	50	1,618	22	(37)
Total comprehensive income for the year, net of tax		26,602	31,950	13,913	12,389
Total comprehensive income is attributable to:					
Equity holders of the parent		22,602	29,187	13,913	12,389
Minority interest	40	4,000	2,763	-	-
		26,602	31,950	13,913	12,389

These financial statements should be read in conjunction with the notes to the financial statements on pages C32 to C155.

COMMENTARY

The format outlined above is used when a separate income statement is presented. See Alt 1 for a discussion of the format of the statement of comprehensive income.



Income Statement/Statement of comprehensive income

COMMENTARY**Statement of comprehensive income**

NZ IAS 1.81

An entity shall present all items of income and expense recognised in a period:

- (a) in a single statement of comprehensive income, or
- (b) in two statements: a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income).

These model financial statements include both alternatives, to illustrate the disclosure requirements of (a) and (b) above.

Information to be presented in the statement of comprehensive income

NZ IAS 1.82

As a minimum, the statement of comprehensive income shall include line items that present the following amounts for the period:

- (a) revenue;
- (b) finance costs;
- (c) share of the profit or loss of associates and joint ventures accounted for using the equity method;
- (d) tax expense;
- (e) a single amount comprising the total of the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation;
- (f) profit or loss;
- (g) each component of other comprehensive income classified by nature (excluding amounts in (h));
- (h) the share of other comprehensive income of associates and joint ventures accounted for using the equity method; and
- (i) total comprehensive income.

NZ IAS 1.83

The following items shall be disclosed in the statement of comprehensive income as allocations of profit or loss for the period:

NZ IAS 1.83(a)

- (j) profit or loss for the period attributable to:
 - (i) minority interest, and
 - (ii) owners of the parent.

NZ IAS 1.83(b)

- (k) total comprehensive income for the period attributable to:
 - (i) minority interest, and
 - (ii) owners of the parent.

NZ IAS 1.84

If a separate income statement is presented, it should include (a)-(f) and (j) above

NZ IAS 1.7

Profit or loss is the total of income less expenses, excluding the components of other comprehensive income.

NZ IAS 1.7

Other comprehensive income comprises items of income and expense (including reclassification adjustments) that is not recognised in profit or loss as required or permitted by other NZ IFRSs.

NZ IAS 1.7

The components of other comprehensive income include:

- (a) changes in revaluation surplus (see NZ IAS 16 Property, Plant and Equipment and NZ IAS 38 Intangible Assets);
- (b) actuarial gains and losses on defined benefit plans recognised in accordance with paragraph 93A of NZ IAS 19 Employee Benefits;



Income Statement/Statement of comprehensive income

COMMENTARY

- (c) gains and losses arising from translating the financial statements of a foreign operation (see NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*);
- (d) gains and losses on remeasuring available-for-sale financial assets (see NZ IAS 39 *Financial Instruments: Recognition and Measurement*);
- (e) the effective portion of gains and losses on hedging instruments in a cash flow hedge (see NZ IAS 39).

NZ IAS 1.7 Owners are holders of instruments classified as equity.

NZ IAS 1.7 Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods.

NZ IAS 1.7 Total comprehensive income is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income comprises all components of 'profit or loss' and of 'other comprehensive income'.

NZ IAS 1.8 Although NZ IAS 1 uses the terms 'other comprehensive income', 'profit or loss' and 'total comprehensive income', an entity may use other terms to describe the totals as long as the meaning is clear. For example, an entity may use the term 'net income' to describe profit or loss.

Profit or loss for the period

NZ IAS 1.88 An entity shall recognise all items of income and expenses in a period in profit or loss unless an NZ IFRS requires or permits otherwise.

NZ IAS 1.89 Some NZ IFRSs specify circumstances when an entity recognises particular items outside profit or loss in the current period. NZ IAS 8 specifies two such circumstances: the correction of errors and the effect of changes in accounting policies. Other NZ IFRSs require or permit components of other comprehensive income that meet the NZ Framework's definition of income or expense to be excluded from profit or loss.

Other comprehensive income for the period

NZ IAS 1.91 An entity may present components of other comprehensive income either:

- (a) net of related tax effects, or
- (b) before related tax effects with one amount shown for the aggregate amount of income tax relating to those components.

NZ IAS 1.90 An entity shall disclose the amount of income tax relating to each component of other comprehensive income, including reclassification adjustments, either in the statement of comprehensive income or in the notes.

NZ IAS 1.92,94 An entity shall disclose reclassification adjustments relating to components of other comprehensive income, in the statement of comprehensive income or in the notes. An entity presenting reclassification adjustments in the notes presents the components of other comprehensive income after any related reclassification adjustments.

NZ IAS 1.93 Other NZ IFRSs specify whether and when amounts previously recognised in other comprehensive income and are reclassified to profit or loss. Such reclassifications are referred to as reclassification adjustments. A reclassification adjustment is included with the related component of other comprehensive income in the period that the adjustment is reclassified to profit or loss. For example, gains realised on the disposal of available-for-sale financial assets are included in profit or loss of the current period. These amounts may have been recognised in other comprehensive income as unrealised gains in the current or previous periods. Those unrealised gains must be deducted from other comprehensive income in the period in which the realised gains are reclassified to profit or loss to avoid including them in total comprehensive income twice.

Function vs. nature presentation

NZ IAS 1.99 An entity shall present, either on the face of the income statement or in the notes to the financial statements, an analysis of expenses using a classification based on either their nature or their function within the entity, whichever provides information that is reliable and more relevant. Sub-classifications of expenses by nature have been illustrated in these model financial statements on the face of the statement of comprehensive income, (Alt 1), and by function on the face of income statement.



Income Statement/Statement of comprehensive income

COMMENTARY

NZ IAS 1.104,105

The choice between the function of expense method and the nature of expense method depends on historical and industry factors and the nature of the entity. NZ IAS 1 requires management to select the most relevant and reliable presentation. However, because information on the nature of expenses is useful in predicting future cash flows an entity classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortisation expense and employee benefits expense.

NZ IAS 1.29

Regardless of whether expenses are classified by nature or by function, each material class of similar items is separately disclosed. Expenses that are immaterial both individually and in aggregate may be combined and presented as a single line item.

Disclosure of specific revenues and expenses

NZ IAS 1.87,97

When items of income and expense are material, their nature and amount shall be disclosed separately. These items shall not be described as extraordinary items, in the statement of comprehensive income or the separate income statement (if presented), or in the notes.

NZ IAS 1.NZ 105.1

An entity shall disclose, either on the face of the income statement or in the notes, fees to auditors, disclosing separately fees to:

- (a) each (if more than one) auditor of the parent entity for:
 - (i) audit fees being fees for the audit of the financial statements;
 - (ii) audit related fees being fees for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not reported under paragraph (a)(i). An entity shall describe the nature of the services comprising the fees disclosed under this category;
 - (iii) tax fees being fees for tax compliance, tax advice, and tax planning services. An entity shall describe the nature of the services comprising the fees disclosed under this category; and
 - (iv) all other fees being fees for services other than those reported in paragraphs (a)(i) through (a)(iii). An entity shall describe the nature of the services comprising the fees disclosed under this category; and
- (b) any other auditor(s) of entities in the group (not including the parent entity) for audit fees being fees for the audit of the financial statements.

NZ IAS 1.NZ 105.2

An entity shall disclose, either on the face of the income statement or in the notes, the total amount of donations made.

Offsetting

NZ IAS 1.32

Income and expenses shall only be set-off where required or permitted by an NZ IFRS.

NZ IAS 1.34

NZ IAS 18 Revenue defines revenue and requires it to be measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates the entity allows. An entity undertakes, in the course of its ordinary activities, other transactions that do not generate revenue but are incidental to the main revenue-generating activities. The results of such transactions are presented, when this presentation reflects the substance of the transaction or other event, by netting any income with related expenses arising on the same transaction. For example:

- (a) gains and losses on the disposal of non-current assets, including investments and operating assets, are reported by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses; and
- (b) expenditure related to a provision that is recognised in accordance with NZ IAS 37 Provisions, Contingent Liabilities and Contingent Assets and reimbursed under a contractual arrangement with a third party (for example a supplier's warranty agreement) may be netted against the related reimbursement.

NZ IAS 1.35

In addition, gains and losses arising from a group of similar transactions are reported on a net basis, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading. Such gains and losses are, however, reported separately if they are material.



Income Statement/Statement of comprehensive income

COMMENTARY

Disclosure of additional information

NZ IAS 1.85

In addition to those disclosures explained above, additional line items, headings and subtotals shall be presented in the statement of comprehensive income, and the separate income statement (if presented) when such presentation is relevant to an understanding of the entity's financial performance.



NZ IAS 1.10(a)
NZ IAS 1.51(c)

Statement of financial position as at 31 December 2009

NZ IAS 1.51(b)

NZ IAS 1.51(d),(e),113

NZ IAS 1.60

NZ IAS 1.54(i)

NZ IAS 1.54(h)

NZ IAS 1.55

NZ IAS 1.54(d)

NZ IAS 1.54(g)

NZ IAS 1.54(n)

NZ IAS 1.55

NZ IAS 1.54(j)
NZ IFRS 5.38

NZ IAS 1.55

NZ IAS 1.60

NZ IAS 1.55

NZ IAS 1.54(e)

NZ IAS 28.38

NZ IAS 1.54(d)

NZ IAS 1.54(a)

NZ IAS 1.54(b)

NZ IAS 1.54(o),56

NZ IAS 1.55,54(c)

NZ IAS 1.54(c)

NZ IAS 1.55

NZ IAS 1.55

NZ IAS 1.55

Notes	Group			Company				
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000		
	ASSETS							
	Current assets							
	Cash and bank balances	13	20,199	19,778	19,064	8,552	6,681	6,974
	Trade and other receivables	14	18,490	16,292	7,008	16,443	14,749	13,960
	Finance lease receivables	15.2	198	188	188	-	-	-
	Other financial assets	16	8,757	6,949	9,152	2,438	208	4,216
	Inventories	22	31,364	30,242	31,659	220	240	158
	Current tax assets	9.3	85	60	-	-	-	-
	Other assets	23	-	-	-	-	-	-
			79,093	73,509	67,071	27,653	21,878	25,308
	Assets classified as held for sale	24	22,336	-	-	-	-	-
	Total current assets		101,429	73,509	67,071	27,653	21,878	25,308
	Non-current assets							
	Finance lease receivables	15.2	830	717	905	-	-	-
	Investments in associates accounted for using the equity method	18	8,455	7,269	5,680	-	-	-
	Other financial assets	16	10,381	9,656	9,541	93,784	99,095	99,233
	Property, plant and equipment	25	111,235	134,461	158,936	476	505	637
	Investment property	26	136	132	112	-	-	-
	Deferred tax assets	9.4	-	-	-	-	38	-
	Goodwill	27	20,253	24,060	24,060	-	-	-
	Other intangible assets	28	9,739	11,325	12,523	-	-	-
	Other assets	23	-	-	-	-	-	-
	Total non-current assets		161,029	187,620	211,757	94,260	99,638	99,870
	Total assets		262,458	261,129	278,828	121,913	121,516	125,178

These financial statements should be read in conjunction with the notes to the financial statements on pages C32 to C155.

NZ IAS 1.10(f)

COMMENTARY

A statement of financial position at the beginning of the earliest comparative period is required because the Group has applied new accounting policies retrospectively in the year (see note 2.4).



NZ IAS 1.10(a)
NZ IAS 1.51(c)

Statement of financial position as at 31 December 2009

NZ IAS 1.51(b)

NZ IAS 1.51(d),(e),113

NZ IAS 1.60

NZ IAS 1.54(i)

NZ IAS 1.54(k)

NZ IAS 1.55

NZ IAS 1.54(m)

NZ IAS 1.54(n)

NZ IAS 1.54(l)

NZ IAS 1.55

NZ IAS 1.55

NZ IAS 1.54(p)

NZ IFRS 5.38

NZ IAS 1.55

NZ IAS 1.60

NZ IAS 1.55

NZ IAS 1.54(m)

NZ IAS 1.55

NZ IAS 1.54(o)

NZ IAS 1.54(l)

NZ IAS 1.55

NZ IAS 1.55

NZ IAS 1.55

NZ IAS 1.55

NZ IAS 1.55

NZ IAS 1.55

NZ IAS 1.55

NZ IAS 1.55

NZ IFRS 5.38

NZ IAS 1.54(r)

NZ IAS 1.54(q)

NZ IAS 1.55

NZ IAS 1.55

Notes	Group			Company			
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	
	EQUITY AND LIABILITIES						
	Current liabilities						
	Bank overdrafts	538	378	200	502	212	200
29	Trade and other payables	16,312	21,143	16,761	2,798	4,118	4,831
30	Borrowings	21,908	25,222	52,750	21,775	31,826	40,035
32	Other financial liabilities	116	18	18	-	-	-
9.3	Current tax liabilities	5,133	5,868	1,567	4,624	4,643	6,581
33	Provisions	3,356	3,195	2,533	112	96	113
34	Deferred revenue	105	52	44	-	-	-
35	Other liabilities	182	154	122	10	-	-
		47,650	56,030	73,995	29,821	40,895	51,760
24	Liabilities directly associated with assets classified as held for sale	3,684	-	-	-	-	-
	Total current liabilities	51,334	56,030	73,995	29,821	40,895	51,760
	Non-current liabilities						
30	Borrowings	32,611	31,478	58,403	27,049	7,000	5,996
32	Other financial liabilities	-	-	-	-	-	-
36	Retirement benefit obligation	508	352	279	-	-	-
9.4	Deferred tax liabilities	4,297	3,328	2,593	254	-	41
33	Provisions	2,219	2,231	1,769	20	48	56
34	Deferred revenue	79	95	40	-	-	-
35	Other liabilities	180	270	213	-	-	-
	Total non-current liabilities	39,894	37,754	63,297	27,323	7,048	6,093
	Total liabilities	91,228	93,784	137,292	57,144	47,943	57,853
	Equity						
37	Issued capital	32,722	48,672	48,672	32,722	48,672	48,672
38	Reserves	4,152	3,682	1,726	1,627	1,182	881
39	Retained earnings	110,351	94,986	73,896	30,420	23,719	17,772
24	Amounts recognised directly in equity relating to assets classified as held for sale	-	-	-	-	-	-
	Equity attributable to equity holders of the parent	147,225	147,340	124,294	64,769	73,573	67,325
40	Minority interest	24,005	20,005	17,242	-	-	-
	Total equity	171,230	167,345	141,536	64,769	73,573	67,325
	Total equity and liabilities	262,458	261,129	278,828	121,913	121,516	125,178

These financial statements should be read in conjunction with the notes to the financial statements on pages C32 to C155.



Statement of financial position

COMMENTARY**Current/non-current vs. liquidity presentation**

NZ IAS 1.60

All assets and all liabilities shall be classified and presented as either current or non-current unless they are presented in order of their liquidity.

NZ IAS 1.60

A liquidity basis shall only be presented where a liquidity presentation provides information that is reliable and more relevant than the current/non-current presentation. The liquidity basis of presentation is not illustrated in the model financial statements.

NZ IAS 1.61

Whichever method of presentation is adopted, for each asset and liability line item that combines amounts expected to be recovered or settled (a) no more than 12 months after the end of the reporting period and (b) more than 12 months after the end of the reporting period, an entity shall disclose the amount expected to be recovered or settled after more than 12 months.

NZ IAS 1.66

An entity shall classify an asset as current when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within 12 months after the reporting period; or
- (d) the asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

NZ IAS 1.69

An entity shall classify a liability as current when :

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within 12 months after the reporting period; or
- (d) the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Operating cycle

NZ IAS 1.68

A company's operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Once an entity defines their operating cycle it affects the classification and presentation of assets and liabilities as either current or non-current.

NZ IAS 1.68,70

To classify items between current and non-current, a 12 month period shall be used when an entity's normal operating cycle is not clearly identifiable.

NZ IAS 1.66,69

However, where there is a clearly identifiable normal operating cycle that extends over a period greater than 12 months, the longer period shall be used as the basis for identifying as:

- (a) current assets, those assets expected to be realised in, or intended for sale or consumption in, the entity's normal operating cycle; and
- (b) current liabilities, those liabilities expected to be settled in the entity's normal operating cycle.

NZ IAS 1.68,70

In situations where a normal operating cycle has been identified, current assets will include inventories and trade receivables that are sold, consumed or realised as part of the normal operating cycle. Current liabilities will include those liabilities that form part of the working capital used in a normal operating cycle of the entity, for example trade payables and some accruals for employee benefits expense. This is the case even when they are not expected to be realised/settled within 12 months of reporting date.

Refinancing liabilities

NZ IAS 1.72

Financial liabilities shall be classified as current when they are due to be settled within 12 months after the reporting period, even if:

- (a) the original term was for a period longer than 12 months; and
- (b) an agreement to refinance, or to reschedule payments, on a long term basis is completed after the reporting period and before the financial statements are authorised for issue.



Statement of financial position

COMMENTARY

NZ IAS 1.73

If an entity expects, and has the discretion, to refinance or roll over an obligation for at least 12 months after the reporting period under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. However, when refinancing or rolling over the obligation is not at the discretion of the entity (for example, there is no arrangement for refinancing), the potential to refinance is not considered and the obligation is classified as current.

Default and breaches

NZ IAS 1.74

When an entity breaches a provision of a long-term arrangement, including a covenant included in a borrowing agreement, such that the liability becomes payable on demand, the liability shall be classified as current even if the lender agreed after the reporting period and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach.

NZ IAS 1.75

However, the liability is classified as non-current if the lender agreed before the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

NZ IAS 1.76

In respect of loans classified as current liabilities, if the following events occur between the end of the reporting period and the date the financial statements are authorised for issue, those events are disclosed as non-adjusting events in accordance with NZ IAS 10 Events after the Reporting Period:

- (a) refinancing on a long-term basis;
- (b) rectification of a breach of a long-term loan arrangement; and
- (c) the granting by the lender of a period of grace to rectify a breach of a long-term loan agreement ending at least 12 months after the balance sheet date.

NZ IFRS 7.18

For loans payable recognised at the reporting date, an entity shall disclose:

- (a) details of any defaults during the period of principal, interest, sinking fund, or redemption terms of those loans payable;
- (b) the carrying amount of the loans payable in default at the reporting date; and
- (c) whether the default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.

NZ IFRS 7.19

If during the period there were breaches of loan agreements other than those disclosed above, an entity shall disclose the same information as above if those breaches permitted the lender to demand accelerated repayment (unless the breaches were remedied, or the terms of the loan were renegotiated, on or before the end of the reporting period).

Offsetting

NZ IAS 1.32

Assets and liabilities shall only be set-off where required or permitted by an NZ IFRS.

Presentation of a non-current asset or disposal group classified as held for sale

NZ IFRS 5.40

An entity shall not reclassify or re-present amounts presented for non-current assets or for assets and liabilities of disposal groups classified as held for sale in the statement of financial position for prior periods to reflect the classification in the statement of financial position for the latest period presented.

Third balance sheet

NZ IAS 1.10(f)

A statement of financial position is required as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

Green Dot Holdings Limited

Model Annual Report

Source



Statement of changes in equity for the year ended 31 December 2009

NZ IAS 1.10(c)
NZ IAS 1.51(c)

NZ IAS 1.106(d)

NZ IAS 1.113,
51(b),(d),(e)

NZ IAS 1.106(b)

NZ IAS 1.106(b)

NZ IAS 1.106(a)

NZ IAS 1.106(d)

NZ IAS 1.106(d)

Group	Notes	Fully paid ordinary shares	Party paid ordinary shares	Converting non-participating preference shares	General reserve	Properties revaluation reserve	Available-for-sale revaluation reserve	Equity-settled employee benefits reserve	Hedging reserve	Foreign currency translation reserve	Option premium on convertible notes	Retained earnings	Attributable to equity holders of the parent	Minority interest	Total
		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Balance at 1 January 2008		45,797	1,775	1,100	807	51	470	-	258	140	-	73,917	124,315	17,242	141,557
Effect of changes in the accounting for customer loyalty programmes	2.4.1	-	-	-	-	-	-	-	-	-	-	(21)	(21)	-	(21)
Effect of correction of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
As restated		45,797	1,775	1,100	807	51	470	-	258	140	-	73,896	124,294	17,242	141,536
Total comprehensive income for the year, net of tax(*)		-	-	-	-	1,465	57	-	11	85	-	27,569	29,187	2,763	31,950
Recognition of share-based payments	38.4	-	-	-	-	-	-	338	-	-	-	-	338	-	338
Payment of dividends	39	-	-	-	-	-	-	-	-	-	-	(6,479)	(6,479)	-	(6,479)
Balance at 31 December 2008		45,797	1,775	1,100	807	1,516	527	338	269	225	-	94,986	147,340	20,005	167,345

These financial statements should be read in conjunction with the notes to the financial statements on pages C32 to C155.

COMMENTARY

(*) The statement of changes in equity format adopted in these model financial statements shows a single line for 'total comprehensive income'. Due to concern that this presentation appears to be inconsistent with the requirements of IAS 1.106 as currently drafted, the International Accounting Standards Board has clarified that its original intention was to allow this aggregated presentation and a proposal to clarify the wording of IAS 1.106 and NZ IAS 1.106 has been issued. Entities should consider the requirements of NZ IAS 1 when they prepare their financial statements.

Green Dot Holdings Limited

Model Annual Report

Source



Statement of changes in equity for the year ended 31 December 2009

NZ IAS 1.10(c)
NZ IAS 1.51(c)

NZ IAS 1.106(d)

NZ IAS 1.113,
51(b),(d),(e)

NZ IAS 1.106(a)
Total comprehensive income for the year, net of tax(*)

NZ IAS 1.106(d)
Recognition of share-based payments

NZ IAS 1.106(d)
Issue of ordinary shares under employee share option plan

NZ IAS 1.106(d)
Transfer from equity-settled employee benefits reserve

NZ IAS 1.106(d)
Issue of ordinary shares for consulting services performed

NZ IAS 1.106(d)
Issue of converting non-participating preference shares

NZ IAS 1.106(d)
Share issue costs

NZ IAS 1.106(d)
Issue of convertible notes

NZ IAS 1.106(d)
Share buy-back

NZ IAS 1.106(d)
Share buy-back costs

NZ IAS 1.106(d)
Transfer to retained earnings

NZ IAS 1.106(d)
Payment of dividends

NZ IAS 1.106(d)
Related income tax

NZ IAS 1.106(d)
Effect of changes in income tax rates

Group	Notes	Fully paid ordinary shares	Partly paid ordinary shares	Converting non-participating preference shares	General reserve	Properties revaluation reserve	Available-for-sale revaluation reserve	Equity-settled employee benefits reserve	Hedging reserve	Foreign currency translation reserve	Option premium on convertible notes	Retained earnings	Attributable to equity holders of the parent	Minority interest	Total
		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
		45,797	1,775	1,100	807	1,516	527	338	269	225	-	94,986	147,340	20,005	167,345
		-	-	-	-	-	66	-	27	(43)	-	22,552	22,602	4,000	26,602
		-	-	-	-	-	-	206	-	-	-	-	206	-	206
		314	-	-	-	-	-	-	-	-	-	-	314	-	314
		367	-	-	-	-	-	(367)	-	-	-	-	-	-	-
		8	-	-	-	-	-	-	-	-	-	-	8	-	8
		-	-	100	-	-	-	-	-	-	-	-	100	-	100
		-	-	(6)	-	-	-	-	-	-	-	-	(6)	-	(6)
		-	-	-	-	-	-	-	-	-	834	-	834	-	834
		(16,456)	-	-	-	-	-	-	-	-	-	(555)	(17,011)	-	(17,011)
		(277)	-	-	-	-	-	-	-	-	-	-	(277)	-	(277)
		-	-	-	-	(3)	-	-	-	-	-	3	-	-	-
		-	-	-	-	-	-	-	-	-	-	(6,635)	(6,635)	-	(6,635)
		-	-	-	-	-	-	-	-	-	(250)	-	(250)	-	(250)
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		29,753	1,775	1,194	807	1,513	593	177	296	182	584	110,351	147,225	24,005	171,230

Balance at 31 December 2009

These financial statements should be read in conjunction with the notes to the financial statements on pages C32 to C155.



Statement of changes in equity for the year ended 31 December 2009

	Notes	Fully paid ordinary shares	Partly paid ordinary shares	Converting non-preference shares	General reserve	Properties revaluation reserve	Available-for-sale revaluation reserve	Equity-settled employee benefits reserve	Hedging reserve	Foreign currency translation reserve	Option premium on convertible notes	Retained earnings	Total
		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
NZ IAS 1.10(c) NZ IAS 1.51(c)	Company	45,797	1,775	1,100	807	-	74	-	-	-	-	17,772	67,325
NZ IAS 1.106(d)	Balance at 1 January 2008	-	-	-	-	-	-	-	-	-	-	-	-
NZ IAS 1.106(b) 51(b),(d),(e)	Effect of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-
	As restated	45,797	1,775	1,100	807	-	74	-	-	-	-	17,772	67,325
NZ IAS 1.106(a)	Total comprehensive income for the year, net of tax(*)	-	-	-	-	1	(38)	-	-	-	-	12,426	12,389
NZ IAS 1.106(d)	Recognition of share-based payments	-	-	-	-	-	-	338	-	-	-	-	338
NZ IAS 1.106(d)	Payment of dividends	-	-	-	-	-	-	-	-	-	-	(6,479)	(6,479)
	Balance at 31 December 2008	45,797	1,775	1,100	807	1	36	338	-	-	-	23,719	73,573

These financial statements should be read in conjunction with the notes to the financial statements on pages C32 to C155.

Green Dot Holdings Limited

Model Annual Report

Source



Statement of changes in equity for the year ended 31 December 2009

NZ IAS 1.10(c)
NZ IAS 1.51(c)

NZ IAS 1.106(d)

NZ IAS 1.113,
51(b),(d),(e)

Company	Notes	Fully paid ordinary shares NZ\$'000	Partly paid ordinary shares NZ\$'000	Converting non-participating preference shares NZ\$'000	General reserve NZ\$'000	Properties revaluation reserve NZ\$'000	Available-for-sale revaluation reserve NZ\$'000	Equity-settled employee benefits reserve NZ\$'000	Hedging reserve NZ\$'000	Foreign currency translation reserve NZ\$'000	Option premium on convertible notes NZ\$'000	Retained earnings NZ\$'000	Total NZ\$'000
Balance at 1 January 2009		45,797	1,775	1,100	807	1	36	338	-	-	-	23,719	73,573
Total comprehensive income for the year, net of tax(*)		-	-	-	-	-	22	-	-	-	-	13,891	13,913
Recognition of share-based payments	38.4	-	-	-	-	-	-	206	-	-	-	-	206
Issue of ordinary shares under employee share option plan	37.1	314	-	-	-	-	-	-	-	-	-	-	314
Transfer from equity – settled employee benefits reserve	38.4	367	-	-	-	-	-	(367)	-	-	-	-	-
Issue of ordinary shares for consulting services performed	37.1	8	-	-	-	-	-	-	-	-	-	-	8
Issue of converting non-participating preference shares	37.3	-	-	100	-	-	-	-	-	-	-	-	100
Issue of convertible notes	38.7	-	-	-	-	-	-	-	-	-	834	-	834
Share issue costs	37.3	-	-	(6)	-	-	-	-	-	-	-	(6)	(6)
Share buy-back	37.1,39	(16,456)	-	-	-	-	-	-	-	-	-	(555)	(17,011)
Share buy-back costs	37.1	(277)	-	-	-	-	-	-	-	-	-	(277)	(277)
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Payment of dividends	39	-	-	-	-	-	-	-	-	-	-	(6,635)	(6,635)
Related income tax	9.4,38.7	-	-	-	-	-	-	-	-	-	(250)	-	(250)
Effect of changes in income tax rates	9.4	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2009		29,753	1,775	1,194	807	1	58	177	-	-	584	30,420	64,769

These financial statements should be read in conjunction with the notes to the financial statements on pages C32 to C155.



NZ IAS 1.10(c)
NZ IAS 1.51(c)

Statement of changes in equity

COMMENTARY

NZ IAS 1.106

An entity shall present a statement of changes in equity showing in the statement:

NZ IAS 1.106(a)

(a) *total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to minority interest;*

NZ IAS 1.106(b)

(b) *for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with NZ IAS 8; and*

NZ IAS 1.106(d)

(c) *for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from profit or loss, each item of other comprehensive income, and transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in loss of control.*

The statement of changes in equity format adopted in these model financial statements shows a single line for 'total comprehensive income'. Due to concern that this presentation appears to be inconsistent with the requirements of IAS 1.106 as currently drafted, the International Accounting Standards Board has clarified that its original intention was to allow this aggregated presentation and a proposal to clarify the wording of IAS 1.106 and NZ IAS 1.106 has been issued. Entities should consider the requirements of NZ IAS 1 when they prepare their financial statements.

NZ IAS 1.NZ 6.2

Qualifying entities are not required to present a statement of changes in equity in accordance with paragraph 106 in the following circumstances:

(a) *there have been no transactions between the entity and the entity's owners in their capacity as owners during the current or previous period; and*

(b) *there have been no adjustments to the opening balance of retained earnings for the current or previous period.*

A qualifying entity that does not comply with paragraph 106 shall include in its financial statements a statement to this effect and the reasons why.

NZA IAS 1.107

An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period, and the related amount per share.

NZ IAS 1.109

Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period. Except for changes resulting from transactions with owners in their capacity as owners (for example, equity contributions, reacquisitions of the entity's own equity instruments and dividends) and transaction costs directly related to such transactions, the overall change in equity during a period represents the total amount of income and expenses, including gains and losses, generated by the entity's activities during that period.

Items to be included in profit or loss or recognised directly in equity

NZ IAS 1.88,89

An entity shall recognise all items of income and expense in a period in profit or loss unless an NZ IFRS requires or permits otherwise. Some NZ IFRSs specify circumstances when an entity recognises particular items outside profit or loss in the current period. NZ IAS 8 specifies two such circumstances: the correction of errors and the effect of changes in accounting policies. Other NZ IFRSs require or permit components of other comprehensive income that meet the NZ Framework's definition of income or expense to be excluded from profit or loss.



Statement of cash flows

COMMENTARY

NZ IAS 7.14

Operating activities

Cash flows from operating activities are primarily derived from the principal revenue-producing activities of the entity. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss. Examples of cash flows from operating activities are:

- (a) cash receipts from the sale of goods and the rendering of services;
- (b) cash receipts from royalties, fees, commissions and other revenue;
- (c) cash payments to suppliers for goods and services;
- (d) cash payments to and on behalf of employees;
- (e) cash receipts and cash payments of an insurance entity for premiums and claims, annuities and other policy benefits;
- (f) cash payments or refunds of income taxes unless they can be specifically identified with financing and investing activities; and
- (g) cash receipts and payments from contracts held for dealing or trading purposes.

Some transactions, such as the sale of an item of plant, may give rise to a gain or loss which is included in the determination of profit or loss. However, the cash flows relating to such transactions are cash flows from investing activities.

NZ IAS 7.16

Investing activities

The separate disclosure of cash flows arising from investing activities is important because the cash flows represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Examples of cash flows arising from investing activities are:

- (a) cash payments to acquire property, plant and equipment, intangibles and other long-term assets. These payments include those relating to capitalised development costs and self-constructed property, plant and equipment;
- (b) cash receipts from sales of property, plant and equipment, intangibles and other long-term assets;
- (c) cash payments to acquire equity or debt instruments of other entities and interests in joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes);
- (d) cash receipts from sales of equity or debt instruments of other entities and interests in joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes);
- (e) cash advances and loans made to other parties (other than advances and loans made by a financial institution);
- (f) cash receipts from the repayment of advances and loans made to other parties (other than advances and loans of a financial institution);
- (g) cash payments for futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the payments are classified as financing activities; and
- (h) cash receipts from futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the receipts are classified as financing activities.

When a contract is accounted for as a hedge of an identifiable position, the cash flows of the contract are classified in the same manner as the cash flows of the position being hedged.

NZ IAS 7.17

Financing activities

The separate disclosure of cash flows arising from financing activities is important because it is useful in predicting claims on future cash flows by providers of capital to the entity. Examples of cash flows arising from financing activities are:



Statement of cash flows

COMMENTARY

- (a) cash proceeds from issuing shares or other equity instruments;
- (b) cash payments to owners to acquire or redeem the entity's shares;
- (c) cash proceeds from issuing debentures, loans, notes, bonds, mortgages and other short or long-term borrowings;
- (d) cash repayments of amounts borrowed; and
- (e) cash payments by a lessee for the reduction of the outstanding liability relating to a finance lease.

Interest and dividends

NZ IAS 7.31

Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as either operating, investing or financing activities.

NZ IAS 7.32

The total amount of interest paid during a period is disclosed in the statement of cash flows whether it has been recognised as an expense in profit or loss or capitalised in accordance with NZ IAS 23 Borrowing Costs.

NZ IAS 7.33

Interest paid and interest and dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of profit or loss. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.

NZ IAS 7.34

Dividends may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, dividends paid may be classified as a component of cash flows from operating activities in order to assist users to determine the ability of an entity to pay dividends out of operating cash flows.

Taxes on income

NZ IAS 7.35

Cash flows arising from taxes on income shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.

Investments in subsidiaries, associates and joint ventures

NZ IAS 7.37

When accounting for an investment in an associate or a subsidiary accounted for by use of the equity or cost method, an investor restricts its reporting in the statement of cash flows to the cash flows between itself and the investee, for example, to dividends and advances.

NZ IAS 7.38

An entity which reports its interest in a jointly controlled entity (see NZ IAS 31 Interests in Joint Ventures) using proportionate consolidation, includes in its consolidated statement of cash flows its proportionate share of the jointly controlled entity's cash flows. An entity which reports such an interest using the equity method includes in its statement of cash flows the cash flows in respect of its investments in the jointly controlled entity, and distributions and other payments or receipts between it and the jointly controlled entity.

Non-cash transactions

NZ IAS 7.43

Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

Netting

NZ IAS 7.NZ 24.1

When an entity combines receipts and payments to present a net cash flow, a note shall identify such a cash flow and provide reasons why those receipts and payments have been set off.



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NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

1. General Information

NZ IAS 1.138(a)

Green Dot Holdings Limited (the Company) is a listed company incorporated in New Zealand. The addresses of its registered office and principal place of business are disclosed in the directory to the annual report. The principal activities of the Company and its subsidiaries (the Group) are described in note 4.

NZ IAS 1.NZ 15.1(b),
138(b)

The Company is a profit-oriented entity incorporated in New Zealand. Its principal products and services are the manufacture and sale of leisure goods and electronics in New Zealand and overseas, and the construction and renovation of New Zealand residential properties. During the current year the Company disposed of its toy manufacturing business and the Board of Directors announced a plan to dispose of the bicycle business.

COMMENTARY

NZ IAS 1.138(a)

Disclosure in relation to the domicile and legal form of the entity, country of incorporation and the address of its registered office (or principal place of business, if different from the registered office) are necessary if such information is not disclosed elsewhere in information published with the financial statements.

NZ IAS 1.112

2. Summary of significant accounting policies

COMMENTARY

NZ IAS 1.112-121

The following are examples of the types of accounting policies that might be disclosed in this Group's financial statements. Entities are required to disclose in the summary of significant accounting policies the measurement basis (or bases) used in preparing the financial statements, and the other accounting policies used that are relevant to an understanding of the financial statements. An accounting policy may be significant because of the nature of the entity's operations even if amounts for the current and prior periods are not material.

In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in the financial statements. Disclosure of particular accounting policies is especially useful to users when those policies are selected from alternatives allowed in Standards and Interpretations.

Each entity considers the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity. It is also important to disclose each significant accounting policy that is not specifically required by NZ IFRSs, but that is selected and applied in accordance with NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

For completeness purposes, in these model financial statements accounting policies have been provided for some immaterial items, although this is not required under NZ IFRSs.

2.1. Statement of compliance

NZ IAS 1.NZ 15.1

The company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

NZ IAS 1.NZ 15.1(d), 15.2

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

NZ IAS 1.16

The financial statements comply with International Financial Reporting Standards ('IFRS').

NZ IAS 10.17

The financial statements were authorised for issue by the directors on 26 February 2010.

COMMENTARY

NZ IAS 1.NZ 15.2(c)

A qualifying entity would state: 'The financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRSs and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities/public benefit entities that qualify for and apply differential reporting concessions'.

NZ IAS 1.NZ 15.3

An entity shall not assert compliance with NZ IFRSs, and other applicable Financial Reporting Standards, as appropriate for that entity unless the financial statements comply with all the relevant requirements of those standards.

NZ IAS 1.NZ 16.3

Qualifying entities applying differential reporting concessions will not be in compliance with IFRSs and therefore cannot make an explicit and unreserved statement of such compliance in the notes to the financial statements. Qualifying entities which are profit-oriented entities and which have elected not to apply any of the differential reporting concessions available in the Framework for Differential Reporting shall make an explicit and unreserved statement of such compliance with IFRS in the notes provided they comply with all the requirements of IFRSs.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.1. Statement of compliance (continued)

COMMENTARY

When a qualifying entity takes advantage of differential reporting concessions, the entity's summary of significant accounting policies shall disclose:

- (a) the criteria which establish the entity as a qualifying entity for differential reporting; and
- (b) the extent to which the entity has applied available differential reporting concessions. The entity shall disclose either:
 - i. standards where the entity has not taken advantage of differential reporting concessions and has applied the standards obligatory for non-qualifying entities; or
 - ii. standards where differential reporting concessions have been applied.

NZ IAS 8.NZ 12.1

2.2. Basis of preparation

NZ IAS 1.17,117(a)

The Group financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The principal accounting policies are set out below.

2.3. Accounting judgements and major sources of estimation uncertainty

NZ IAS 1.122,125

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of judgements in applying the accounting policies, and major sources of estimation uncertainty.

2.4. Adoption of new and revised Standards and Interpretations

2.4.1. Standards and Interpretations effective in the current period

Those with measurement impact:

NZ IAS 8.28(a),(c)

The adoption of NZ IFRIC 13 *Customer Loyalty Programmes* in the current year has resulted in a change to the Group's revenue recognition policy for its customer loyalty programme. The Group's Maxi-Points Scheme, operated for the benefit of its on-line customers, falls within the scope of NZ IFRIC 13. Under the Maxi-Points Scheme, on-line customers purchasing the Group's electronic equipment are entitled to register and, dependent on their level of purchases, they receive loyalty points which can be used to obtain discounts on subsequent purchases. In the past, the Group has accounted for the Maxi-Points Scheme by recognising the full consideration from the on-line sales as revenue, with a separate liability for the estimated cost of the subsequent discounts. However, NZ IFRIC 13 requires that such transactions be accounted for as 'multiple element revenue transactions' and that the consideration received in the initial sales transaction be allocated between the sale of equipment and the discount entitlements that are earned by the customer in that sale transaction.

NZ IAS 8.28(b),(d),(f)

This change in accounting policy has been applied retrospectively, in accordance with the transitional provisions of NZ IFRIC 13. There is no impact on the Company financial statements. In respect of the Group, the impact of this change in accounting policy at the beginning of the comparative period has been to reduce provisions by \$63,000 and to increase deferred revenue by \$84,000, with a corresponding adjustment for the net effect of \$21,000 against opening retained earnings. The change has had no material impact on deferred tax. Revenue for the year ended 31 December 2009 has been reduced by \$37,000 (2008: \$63,000), and [cost of sales/other expenses] has been increased by \$10,000 (2008: reduced by \$48,000). Profit for the year end 31 December 2009 has therefore been reduced by \$47,000 as a result of the new policy (2008: \$15,000). At 31 December 2009, revenue deferred in relation to the scheme amounts to \$184,000 (2008 restated: \$147,000). Basic earnings per share has been reduced by 0.3 cents (2008: 0.0 cents) and diluted earnings per share has been reduced by 0.2 cents (2008: 0.0 cents).



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.4. Adoption of new and revised Standards and Interpretations (continued)

2.4.1. Standards and Interpretations effective in the current period (continued)

Those with disclosure impact:

The impact of the adoption of the following Standards and Amendments has been to expand the disclosures provided in these financial statements:

NZ IAS 8.28(a),(c)

Name	Impact
NZ IAS 1 <i>Presentation of Financial Statements</i> (revised 2007)	This has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard has required the presentation of a third statement of financial position at 1 January 2008, because the Group has applied a new accounting policy retrospectively for customer loyalty programmes (see above).
NZ IFRS 8 <i>Operating Segments</i>	This is a disclosure Standard that has resulted in a redesignation of the Group's reportable segments (see note 4).
NZ IAS 8.28(b),(d) Amendments to NZ IFRS 7 - <i>Financial Instruments: Disclosures</i>	The amendments to NZ IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

Those with no impact:

Adoption of the following Standards, Interpretations and Amendments has not led to any changes in the Group's accounting policies with measurement or recognition impact on the periods presented in these financial statements:

Name	Nature of Amendment
NZ IFRS 2 <i>Share-based Payment: Vesting Conditions and Cancellations</i>	The amendments clarify the definition of vesting conditions for the purposes of NZ IFRS 2, introduce the concept of non-vesting conditions, and clarify the accounting treatment for cancellations.
NZ IAS 23 <i>Borrowing Costs</i> (revised 2007)	The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred. This change has led to no impact on these financial statements because it has always been the Group's accounting policy to capitalise borrowing costs on qualifying assets.
Amendments to NZ IAS 27 <i>Consolidated and Separate Financial Statements – Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	The amendments deal with the recognition of dividend income from subsidiaries in a parent's separate financial statements.
NZ IAS 32 and NZ IAS 1 <i>Puttable Financial Instruments and Obligations arising on Liquidation</i>	The amendments to NZ IAS 32 amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.
<i>Improvements to NZ IFRS 2008</i> (excluding the amendment relating to loss of control of a subsidiary, which is not yet effective)	These Improvements have led to a number of changes in the detail of the Group's accounting policies – some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported.
<i>NZ Specific Omnibus Amendments 2008-01</i>	These amendments are minor in nature and have no impact on the Group or Company
Amendment to NZ IFRIC 9 and NZ IAS 39 <i>Embedded Derivatives</i>	The amendments clarify the accounting for embedded derivatives in the case of a reclassification of a financial asset out of the FVTPL category.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.4. Adoption of new and revised Standards and Interpretations (continued)

2.4.1. Standards and Interpretations effective in the current period (continued)

Name	Nature of Amendment
NZ IFRIC 15 <i>Agreements for the Construction of Real Estate</i>	The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of NZ IAS 11 <i>Construction Contracts</i> or NZ IAS 18 <i>Revenue</i> and when revenue from the construction of real estate should be recognised. The requirements have not affected the accounting for the Group's construction activities.
NZ IFRIC 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	The Interpretation provides guidance on the detailed requirements for net investment hedge accounting designations.

COMMENTARY

The NZ Specific Omnibus introduced a small number of minor NZ Specific amendments including clarifying the description and disclosures relating to the taxes payable method in NZ IAS 12 (which may only be used by Qualifying Entities).

2.4.2. Early adoption of Standards and Interpretations

NZ IAS 8.28(a),(c),(f)

The Group has elected to early adopt Amendments to NZ IAS 7 *Statement of Cash Flows* (part of *Improvements to NZ IFRS 2009*), which specifies that only expenditure that results in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of research and development costs of \$0.5 million (2008: \$0.4 million) (Company: \$nil (2008: \$nil)) that do not meet the criteria in NZ IAS 38 *Intangible Assets* for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) have been reclassified from investing to operating activities in the statement of cash flows. Prior year amounts have been restated for consistent presentation.

2.4.3. Standards and Interpretations in issue not yet adopted

NZ IAS 8.30(a)

At the date of authorisation of these financial statements, other than the Standards and Interpretations adopted by the Group in advance of their effective dates (as described in 2.4.2 above) the following Standards and Interpretations, including those Standards or Interpretations issued by the IASB/IFRIC where an equivalent New Zealand Standard or Interpretation has not been approved, were in issue but not yet effective:

Name	Effective for annual reporting periods beginning on or after:
NZ IFRIC 17 <i>Distributions of Non-Cash Assets to Owners</i>	1 July 2009
NZ IFRIC 18 <i>Transfers of Assets from Customers</i>	1 July 2009
NZ IFRS 3 <i>Business Combinations (revised 2008)</i>	1 July 2009
NZ IAS 27 <i>Consolidated and Separate Financial Statements (revised 2008)</i>	1 July 2009
Amendments to NZ IAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>	1 July 2009
NZ Specific Omnibus Amendments 2009-01	1 July 2009
<i>Improvements to NZ IFRS 2009</i>	(*)
<i>Improvements to NZ IFRS 2008 - Loss of Control of a Subsidiary</i>	1 July 2009
NZ IFRS 2 <i>Share-based Payment: Group Cash-Settled Share-based Payment Transactions</i>	1 January 2010
Amendment to NZ IAS 32 <i>Financial Instruments: Presentation</i>	1 February 2010
IFRIC 19 <i>Extinguishing Liabilities with Equity Instruments</i>	1 July 2010
NZ IAS 24 <i>Related Party Disclosures (revised 2009)</i>	1 January 2011
Amendment to IFRIC 14 – <i>Prepayments of a Minimum Funding Requirement</i>	1 January 2011
NZ IFRS 9 <i>Financial Instruments</i>	1 January 2013

(*) The effective date and transitional provisions vary by Standard. Most of the improvements are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, with earlier adoption permitted. The Group and Company have early adopted the amendment to NZ IAS 7 which arose from the *Improvements to NZ IFRS 2009*. The impact is discussed in 2.4.2 above.

Directors expect to adopt the above Standards and Interpretations in the period in which they become mandatory.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.4. Adoption of new and revised Standards and Interpretations (continued)

2.4.3. Standards and Interpretations in issue not yet adopted (continued)

With the exception of NZ IFRS 3, NZ IAS 27, and NZ IFRS 9, the directors anticipate that the above Standards and Interpretations will have no material impact on the financial statements of the Group or Company in the period of initial application. It is likely that the changes arising from NZ IFRS 3, NZ IAS 27, and NZ IFRS 9 will affect the recognition and measurement, and classification of amounts recognised in the Group and Company financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

NZ IAS 8.30(b)

COMMENTARY

The Appendix to these model financial statements sets out information on the potential impact of NZ IFRS 3 and NZ IAS 27. NZ IFRS 9 introduces a new classification and measurement regime for financial assets and will need to be carefully considered by each entity.

The annual improvements process results in a large number of changes, and entities will need to carefully review each improvement to assess its impact.

This listing of Standards and Interpretations is complete as at 15 December 2009. The potential impact of any new or revised Standards and Interpretations issued by the FRSB and approved by the ASRB after that date, but before the issue of the financial statements, should also be considered and disclosed. In order to make an unreserved statement of compliance with IFRS, an entity should also disclose Standards or Interpretations issued by the IASB/IFRIC where an equivalent New Zealand Standard or Interpretation has not been approved.

NZ IAS 27(2004)

2.5. Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see 2.5.1 below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

NZ IAS 27(2004).42(c)

Investments in subsidiaries are recorded at cost in the parent company's financial statements.

2.5.1. Business combinations

NZ IFRS 3(2004)

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under NZ IFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss. The Group's goodwill accounting policy is set out in 2.22 below.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.5. Basis of consolidation (continued)

NZ IAS 28

2.5.2. Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Group financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Where necessary, adjustments are made to bring the associates accounting policies into line with those used by other members of the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. The Group's goodwill accounting policy is set out at 2.22 below. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

NZ IAS 27(2004).42(c)

Investments in associates are recorded at cost in the parent company's financial statements.

NZ IAS 31

2.5.3. Interests in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, which is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Jointly controlled assets are accounted for as follows:

Where a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

NZ IAS 31.57

Jointly controlled entities are accounted for as follows:

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for in accordance with NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the Group financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary (see 2.22 below).

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

NZ IAS 27(2004).42(c)

Interests in jointly controlled entities are recognised in the parent company's financial statements using the cost method.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.5. Basis of consolidation (continued)

2.5.3. Interests in joint ventures (continued)

Jointly controlled operations are accounted for as follows:

Where the Group has joint control in a jointly controlled operation, the Group recognises the assets that it controls and the liabilities that it incurs, along with expenses that it incurs and the Group's share of the income it earns from the sale of goods or services by the joint venture.

2.6. Foreign currencies

2.6.1. Foreign currency transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Group financial statements, the results and financial position of each group entity are expressed in New Zealand dollars ('NZ\$'), which is the functional currency of the Company and the presentation currency for the Group financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see 2.26 below for hedge accounting policies);
- exchange differences on non-monetary assets carried at fair value which are recognised in reserves; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in other comprehensive income and accumulated as a separate component of equity in the Group's foreign currency translation reserve and reclassified from equity to profit or loss (as a reclassification adjustment) on disposal of the net investment.

2.6.2. Foreign operations

For the purpose of presenting the Group financial statements, the assets and liabilities of the Group's foreign operations are expressed in New Zealand dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated as a separate component of equity in the Group's foreign currency translation reserve. Such exchange differences are reclassified from equity to profit or loss (as a reclassification adjustment) in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7. Goods and service tax

Revenue, expenses and assets are recognised net of the amount of goods and service tax (GST), except:

- where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST. (The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

NZ IAS 21



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.7. Goods and service tax (continued)

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing which is recovered from, or paid to, the taxation authority is classified as operating cash flow.

COMMENTARY

Qualifying entities may elect to recognise revenue & expense items either including (gross) or excluding (net) GST.

NZ IAS 18.NZ 6.1

2.8. Comparatives

NZ IAS 1.41

When the presentation or classification of items is changed, comparative amounts are reclassified unless the reclassification is impracticable.

NZ IAS 1.10(f)

In addition, a statement of financial position is presented as at the beginning of the earliest comparative period, when the Group has applied an accounting policy retrospectively, makes a retrospective restatement of items, or when it has reclassified items.

The Group has applied NZ IFRIC 13 *Customer Loyalty Programmes* for the first time in the current year, with retrospective application. Accordingly, a statement of financial position as at 1 January 2008 has been presented. A summary of the financial impact is set out at 2.4.1. above.

There have been no other presentation or classification changes in the current period.

NZ IAS 18.35(a)

2.9. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.9.1. Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods that result in award credits for customers, under the Group's Maxi-Points Scheme, are accounted for as multiple element revenue transactions and the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

2.9.2. Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

The Group's policy for recognition of revenue from construction contracts is described at 2.11 below.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.9. Revenue recognition (continued)

2.9.3. Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

2.9.4. Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis using the effective interest method.

2.9.5. Rental income

The Group's policy for recognition of revenue from operating leases is described in 2.19 below.

2.9.6. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income over the relevant period (including all fees and points paid or received between the parties to the contract that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount of the financial instrument.

NZ IAS 20.39(a)

2.10. Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

NZ IAS 20.10A

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between the initial carrying amount of the loan and the proceeds received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

NZ IAS 11.39(b),(c)

2.11. Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

COMMENTARY

Qualifying entities may recognise profit on all construction contracts on a 'completed contract method' and need not comply with other paragraphs of NZ IAS 11.

The completed contract method is a method of accounting by which the profit on a construction contract is recognised only when the contract is completed or substantially completed, subject always to the requirements of paragraph 36 of NZ IAS 11 to recognise any loss as soon as it is foreseen.

NZ IAS 11.NZ 1.1



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

NZ IFRS 2

2.12. Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 42.

The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity-settled employee benefits reserve.

The policy described above is applied to all equity-settled share-based payments that were granted after 7 November 2002 that vested after 1 January 2005. No amount has been recognised in the financial statements in respect of other equity-settled share-based payments.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of each reporting period.

2.13. Finance costs

Interest expense is accrued on a time basis using the effective interest method.

NZ IAS 23.29

Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that floating rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and accumulated as a separate component of equity, and is reclassified from equity to profit or loss (as a reclassification adjustment) when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

COMMENTARY

Qualifying entities may recognise borrowing costs as an expense in the period in which they are incurred.

NZ IAS 23.NZ 4.1

NZ IAS 12

2.14. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.14.1. Current tax

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from profit as reported in the [income statement/statement of comprehensive income] because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.14. Taxation (continued)

2.14.2. Deferred tax

COMMENTARY

Qualifying entities may elect to account for income tax in accordance with either:

- (a) the taxes payable method; or
- (b) in accordance with NZ IAS 12.

Under the taxes payable method, income tax expense in respect of the current period is equal to the income tax payable for the same period. The income tax effects of deductible temporary differences, unused tax losses, and unused tax credits are not recognised, however the income tax effects of unused tax losses and unused tax credits for which no deferred tax asset is recognised shall be disclosed in the notes. Qualifying entities electing to account for income taxes under the income taxes payable method are not required to comply with the disclosure requirements in NZ IAS 12 insofar as they relate to disclosure of deferred tax expense (income), and are not required to disclose the amount of income tax relating to each component of other comprehensive income.

If a qualifying entity electing to account for income taxes under the income taxes payable method voluntarily makes disclosures from which it is exempt, these disclosures shall be made in accordance with NZ IAS 12.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.14.3. Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

COMMENTARY

In the preceding paragraph, qualifying entities would not need to refer to deferred tax.

NZ IAS 12.NZ 4.1

NZ IAS 12.NZ 4.1,4.1A

NZ IAS 12.NZ 4.2



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

NZ IAS 7

2.15. Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. The following terms are used in the statement of cash flows;

- operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities;
- investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

NZ IFRS 7.21

2.16. Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

2.16.1. Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and NZ IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

NZ IFRS 7.B5(e)

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 41.12.1.

2.16.2. Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective interest basis.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.16. Financial assets (continued)

2.16.3. AFS financial assets

Unlisted shares and listed redeemable notes held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Fair value is determined in the manner described in note 41.12.1. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated as a separate component of equity in the available-for-sale revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is reclassified from equity to profit or loss (as a reclassification adjustment).

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income as described above.

2.16.4. Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

2.16.5. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

NZ IFRS 7.37(b),B5(f)

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.16. Financial assets (continued)

2.16.5. Impairment of financial assets (continued)

In respect of AFS equity instruments, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated as a separate component of equity in the available-for-sale revaluation reserve.

2.16.6. Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NZ IAS 2.36(a)

2.17. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

NZ IFRS 5

2.18. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

NZ IAS 17

2.19. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.19.1. The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

In the event that lease incentives are paid to enter into operating leases, such incentives are recognised as an asset. The aggregate cost of incentives is recognised as a reduction of rental revenue on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.19.2. The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see 2.13 above). Contingent rentals are recognised as expenses in



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.19. Leases (continued)

2.19.2. The Group as lessee (continued)

the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NZ IAS 16.73(a),(b)

2.20. Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are included in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and building is recognised in other comprehensive income and accumulated as a separate component of equity in the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and building is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on a revalued building is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

COMMENTARY

NZ IAS 16.41

The asset revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised. This may involve transferring the whole of the surplus when the asset is retired or disposed of. However, some of the surplus may be transferred as the asset is used by an entity through a transfer directly to retained earnings. In such a case, the amount of the surplus transferred would be the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the asset's original cost.

NZ IAS 16.NZ 5.3

Qualifying entities may depreciate property, plant and equipment using the rates adopted for income tax purposes except when assets are revalued.

Properties in the course of construction for production, or for administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated. Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

NZ IAS 40

2.21. Investment property

NZ IAS 40.75(a)

Investment property, which is property held to earn rentals and/or for capital appreciation (including property being constructed or developed for future use as investment property), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

NZ IAS 40.NZ 4.1

COMMENTARY

Qualifying entities may account for investment properties in accordance with either:

- (a) NZ IAS 40 where the entity is required, after initial recognition, to measure investment property at its fair value at the end of the reporting period (paragraphs 33 and 38); or
- (b) the cost model in NZ IAS 16 Property, Plant and Equipment.

NZ IAS 40.53

If an entity determines that the fair value of investment property under construction is not reliably determinable but expects the fair value to be reliably determinable when construction is complete, it shall measure that investment property at cost until either its fair value becomes reliably determined or construction is complete (whichever is earlier).

NZ IAS 40.75(a)

A group that elects to measure investment property (other than investment property under construction) under the cost model because it cannot determine the fair value reliably shall disclose the elected policy.

NZ IAS 40.75(b)

A group that applies the fair value model and has property interests held under operating leases classified and accounted for as investment properties shall disclose that accounting policy.

NZ IAS 40.75(c)

When classification is difficult, an entity shall disclose the criteria it uses to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business.

NZ IFRS 3(2004)

2.22. Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

NZ IAS 36

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount is the higher of fair value less cost to sell and value in use. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in profit and loss and is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NZ IAS 28.33

The Group's policy for goodwill arising on the acquisition of an associate is described at 2.5.2 above, and impairment testing of the carrying amount of an associate is described at 2.24 below.

NZ IAS 38

2.23. Intangible assets

2.23.1. Intangible assets acquired separately

NZ IAS 38.118(b)

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful lives, residual values and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

NZ IAS 38.NZ 7.3

COMMENTARY

Qualifying entities may amortise software using the rates adopted for income tax purposes.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.23. Intangible assets (continued)

2.23.2. Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

COMMENTARY

Qualifying entities may expense all research and development costs in the period in which they are incurred.

2.23.3. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2.24. Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

COMMENTARY

Qualifying entities are not required to undertake an annual assessment of impairment of an intangible asset with an indefinite useful life, an intangible asset not yet available for use or goodwill. They are required to test these assets for impairment only where there is an indication of impairment at the end of the reporting period.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

NZ IAS 38.57

NZ IAS 38.NZ 7.1

NZ IAS 36

NZ IAS 36.NZ 5.2



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.24. Impairment of tangible and intangible assets excluding goodwill (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Impairment of goodwill is not reversed.

COMMENTARY

Goodwill arising on acquisition of an associate is included within the carrying amount of the investment. The investment is tested for impairment as a single asset, and accordingly the goodwill included in its carrying amount is not subject to the separate goodwill impairment testing described at 2.22 above.

NZ IAS 28.33

NZ IFRS 7.21

2.25. Financial liabilities and equity instruments issued by the Group

2.25.1. Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

2.25.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2.25.3. Compound instruments

NZ IFRS 7.27

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and as equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

2.25.4. Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the obligation under the contract, as determined in accordance with NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out at 2.9 above.

2.25.5. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

2.25.6. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.25. Financial liabilities and equity instruments issued by the Group (continued)

2.25.6. Financial liabilities at FVTPL (continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and NZ IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

NZ IFRS 7.B5(e)

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in note 41.12.1.

2.25.7. Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

2.25.8. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

NZ IFRS 7.21

2.26. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including forward foreign exchange contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 41.7 and note 41.8.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2.26.1. Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

2.26.2. Hedge accounting

The Group designates certain hedging instruments, which may include derivatives, embedded derivatives and non-derivatives in respect of foreign currency exchange risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign currency exchange risk on firm commitments are accounted for as cash flow hedges.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.26. Derivative financial instruments (continued)

2.26.2. Hedge accounting (continued)

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 41.7.2 and 41.8.2 sets out details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in [the statement of changes in equity/note 38.5].

2.26.3. Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of profit or loss relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

2.26.4. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated as a separate component of equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the [other income/other expenses] line.

Amounts recognised in the hedging reserve are reclassified from equity to profit or loss (as a reclassification adjustment) in the periods when the hedged item is recognised in profit or loss, in the same line as the recognised hedged item.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in the hedging reserve are reclassified from equity and included in the initial measurement of the cost of the asset or liability (as a reclassification adjustment).

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss recognised in the hedging reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in the hedging reserve is recognised immediately in profit or loss.

2.26.5. Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated as a separate component of equity in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the [other income/other expenses] line.

Gains and losses deferred in the foreign currency translation reserve are reclassified from equity to profit or loss (as a reclassification adjustment) on disposal of the foreign operation.

2.27. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

NZ IAS 37



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

2. Summary of significant accounting policies (continued)

2.27. Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.27.1. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2.27.2. Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2.27.3. Warranties

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

NZ IFRS 3(2004).48

2.27.4. Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At subsequent reporting dates, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation recognised in accordance with NZ IAS 18 *Revenue*.

2.27.5. Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing the facilities and restoring the affected areas.

NZ IAS 19

2.28. Employee Benefits

A provision is recognised for benefits accruing to employees in respect of annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

2.28.1. Retirement benefit plans

NZ IAS 19.120A(a)

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Group's defined benefit obligation and the fair value of plan assets as at the end of the previous reporting period are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The obligation recognised in the statement of financial position represents the present value of the defined benefit obligation adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IAS 1.122, 125

3. Accounting judgements and major sources of estimation uncertainty

COMMENTARY

The following are *examples* of the types of disclosures that might be required in this area. The matters disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the results and financial position of the entity.

For example, management may make judgements in determining:

- (a) Whether financial assets are held-to-maturity investments;
- (b) When substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities;
- (c) Whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue;
- (d) Whether the substance of the relationship between the entity and a special purpose entity indicates that the entity controls the special purpose entity;
- (e) Whether the entity controls an investee;
- (f) Whether an available-for-sale investment is subject to significant or prolonged impairment;
- (g) What is the functional currency of the entity;
- (h) How the entity has satisfied the conditions for designating financial assets or financial liabilities as at fair value through profit or loss;
- (i) Whether owner-occupied property is property, plant and equipment, or investment property and the criteria used to determine such classifications; and
- (j) The allocation of cost between land and buildings on acquisition.

In addition, management may make assumptions and estimates regarding:

- (a) Useful lives, residual values, dismantling costs, and depreciation methods in determining asset carrying values and recoverable values;
- (b) The effect of technological obsolescence on inventories;
- (c) The estimated selling price and estimated costs to sell, in determining the net realisable value of inventories;
- (d) The outcome of litigation, in determining provisions;
- (e) The recoverability of deferred tax assets; and
- (f) Future increases in wages and salaries and anticipated employee turnover, in determining long term employee benefit liabilities.

Instead of disclosing this information in a separate note, it may be more appropriate to include such disclosures in the relevant asset and liability notes, or as part of the relevant accounting policy disclosures, with clear cross references to all relevant information.

3.1. Judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see 3.2 below), that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in these financial statements:

3.1.1. Revenue recognition

Note 11.7 describes the expenditure required in the year for rectification work carried out on goods supplied to one of the Group's major customers. These goods were delivered to the customer in January to July 2009, and shortly thereafter the defects were identified by the customer. Following negotiations, a schedule of works was agreed, which will involve expenditure by the Group until 2011. In light of the problems identified, the directors were required to consider whether it was appropriate to recognise the revenue from these transactions of \$19 million, in the current period, in line with the Group's general policy of recognising revenue when goods are delivered, or whether it was more appropriate to defer recognition until the rectification work was complete.

NZ IAS 1.122



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

3. Accounting judgements and major sources of estimation uncertainty (continued)

3.1. Judgements in applying accounting policies (continued)

3.1.1. Revenue recognition (continued)

In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in NZ IAS 18 *Revenue* and, in particular, whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods.

Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and the recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate provision for the rectification costs.

3.1.2. Held-to-maturity financial assets

The directors have reviewed the Group's held-to-maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold those assets to maturity. The carrying amount of held-to-maturity financial assets is \$6.9 million (2008: \$5.3 million) (Company: \$18,000 (2008: \$208,000)). Details of these assets are set out in note 16.

NZ IAS 1.125,129

3.2. Major sources of estimation uncertainty

The following are the key assumptions concerning the future, and other major sources of estimation uncertainty at 31 December 2009, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

3.2.1. Recoverability of internally-generated intangible asset

During the year, the directors reconsidered the recoverability of the Group's internally-generated intangible asset arising from its e-business development, which is included in the statement of financial position at 31 December 2009 at \$0.5 million.

The e-business development project continues to progress in a satisfactory manner, and customer reaction has reconfirmed the directors' previous estimates of anticipated revenues from the project. However, increased competitor activity has caused the directors to reconsider their assumptions regarding future market share and anticipated margins on these products. Detailed sensitivity analysis has been carried out and the directors are confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

3.2.2. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill (excluding goodwill classified as held for sale) at 31 December 2009 was \$20.3 million (2008: \$24.1 million) after an impairment loss of \$15,000 was recognised during 2009 (2008: \$nil). Details of the impairment loss calculation are provided in note 27.1.

3.2.3. Useful lives of property, plant and equipment

As described at policy 2.20, the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the year, the directors determined that the useful life of certain items of equipment should be shortened, due to developments in technology.

The financial effect of this assessment, assuming the assets are held until the end of their estimated useful lives, is to increase the depreciation expense in the current year and for the next 3 years, by the following amounts:



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

3. Accounting judgements and major sources of estimation uncertainty (continued)

3.2. Major sources of estimation uncertainty (continued)

3.2.3. Useful lives of property, plant and equipment (continued)

	Group	Company
	NZ\$'000	NZ\$'000
2009	9	9
2010	7	7
2011	4	4
2012	2	2

3.2.4. Fair value of derivatives and other financial instruments

As described in note 41.12.1, the directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market prices, where available, adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of unlisted shares includes some assumptions not supported by observable market prices or rates. The carrying amount of the shares is \$5.9 million (2008: \$5.7 million) (Company: \$0.7 million (2008: \$0.6 million)). Details of the assumptions used and of the results of sensitivity analysis regarding these assumptions are provided in note 41.12.3.

4. Segment information

COMMENTARY

The following segment information is required by NZ IFRS 8 *Operating Segments* to be presented in the consolidated financial statements of a group with a parent (and in the separate or individual financial statements of an entity):

- (a) whose debt or equity instruments are traded in a public market; or
- (b) that files, or is in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market. (This may include some qualifying entities).

Accordingly, most qualifying entities are likely to be exempt from NZ IFRS 8.

NZ IFRS 8 is effective for annual financial statements for periods beginning on or after 1 January 2009. Comparative information shall be restated unless the necessary information is not available and the cost to develop it would be excessive.

4.1. Adoption of NZ IFRS 8 *Operating Segments*

The Group has adopted NZ IFRS 8 *Operating Segments*, with effect from 1 January 2009. NZ IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (NZ IAS 14 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of NZ IFRS 8, the identification of the Group's reportable segments has changed.

4.2. Products and services from which reportable segments derive their revenues

In prior years, segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions (i.e. electronics, toys, other leisure goods, construction services and 'other'). However, information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more specifically focussed on the category of customer for each type of goods. The principal categories of customer for these goods are direct sales to major customers, wholesalers, retail outlets and internet sales.

NZ IFRS 8.35,36

NZ IFRS 8.35,36

NZ IFRS 8.22



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

4. Segment information (continued)

4.2. Products and services from which reportable segments derive their revenues (continued)

NZ IFRS 8.22

The Group's reportable segments under NZ IFRS 8 are therefore as follows:

Electronics	- direct sales
	- wholesalers and retail outlets
	- internet sales
Leisure goods	- wholesalers
	- retail outlets

Other

The leisure goods segments supply sports shoes and equipment, outdoor play equipment and prior to discontinuation (see below), toy manufacturing and bicycles.

NZ IFRS 8.16

Other operations include the construction of residential properties, the development, sale and installation of computer software for specialised business application, and the leasing out of specialised storage equipment.

NZ IFRS 5.41(d)

Two operations were discontinued in the period. In prior years, the Group was involved in the manufacture of toys, which was reported as a separate segment under NZ IAS 14. That operation was discontinued with effect from 28 September 2009 (note 10.1). For NZ IFRS 8 purposes, the toy manufacturing operation is included in the leisure goods-wholesalers reportable segment.

NZ IFRS 5.41(d)

The directors have also announced a plan to dispose of the Group's bicycle business (see note 10.2). The bicycle business is included in the leisure goods-wholesalers reportable segment under NZ IFRS 8.

Information regarding the Group's reportable segments is presented below. Amounts reported for the prior year have been restated to conform to the requirements of NZ IFRS 8.

4.3. Segment revenues and results

NZ IFRS 8.23,23(a)

The following is an analysis of the Group's revenue and results by reportable segment:

NZ IFRS 8.16

NZ IFRS 8.28(a)

NZ IFRS 8.28(b)

NZ IFRS 8.28(b)

NZ IFRS 8.28(b)

NZ IFRS 8.28(b)

NZ IFRS 8.28(b)

		Group			
		Segment revenue		Segment profit	
		2009	2008	2009	2008
		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Continuing operations					
Electronics	- direct sales	37,509	39,641	6,619	10,336
	- wholesalers and retail outlets	20,194	22,534	7,265	5,954
	- internet sales	27,563	29,699	6,632	5,348
Leisure goods	- wholesalers	13,514	18,332	3,252	4,110
	- retail outlets	20,452	18,646	4,921	4,372
Other		21,686	22,988	4,033	6,767
Total for continuing operations		140,918	151,840	32,722	36,887
Share of profits of associates (note 18)				1,186	1,589
Investment revenue (note 6)				3,608	2,351
Central administration costs and directors' salaries				(2,934)	(2,666)
Finance costs (note 8)				(5,034)	(6,023)
Profit before tax				29,548	32,138



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

4. Segment information (continued)

4.3. Segment revenues and results (continued)

NZ IFRS 8.28

NZ IFRS 8.28

NZ IFRS 8.28

NZ IFRS 8.28

NZ IFRS 8.28

NZ IFRS 8.28

NZ IFRS 8.28(a)

NZ IFRS 8.23

NZ IFRS 8.23

NZ IFRS 8.23

NZ IFRS 8.23(b)

NZ IFRS 8.27

NZ IFRS 8.23(f)

Discontinued operations

Leisure goods - wholesalers

Investment revenue

Central administration costs and directors' salaries

Finance costs (note 8)

Gain on disposal of operation (note 10.3)

Profit before tax

Income tax expense (continuing and discontinued) (note 9.1)

Total revenue (excluding investment revenue) and profit

Group			
Segment revenue		Segment profit	
2009	2008	2009	2008
NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
64,405	77,843	11,161	14,541
		-	-
		(1,486)	(1,414)
		(150)	(134)
		1,945	-
		11,470	12,993
		(14,466)	(14,799)
205,323	229,683	26,552	30,332

COMMENTARY

The following must be disclosed about each reportable segment, if the specified amounts are included in the measure of segment profit or loss as reviewed by the chief operating decision maker or are otherwise regularly provided to the chief operating decision maker, even if it is not included in that measure of segment profit or loss:

- revenues from external customers;
- revenues from transactions with other operating segments of the same entity;
- interest revenue;
- interest expense;
- depreciation and amortisation;
- material items of income and expense;
- the entity's interest in profit or loss of associates and joint ventures accounted for by the equity method;
- income tax expense or income; and
- material non-cash items other than depreciation and amortisation.

Interest revenue and interest expense must be reported separately (if included in the measure of segment profit or loss reviewed by the chief operating decision maker) for each reportable segment, unless a majority of the segment's revenues are from interest, and the chief operating decision maker relies primarily on net interest revenue to assess the performance of the segment and make decisions about resources to be allocated to the segment.

In that situation, an entity may report that segment's interest revenue net of its interest expense and disclose that it has done so.

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2008: \$nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, investment revenue and finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The Group's exceptional rectification costs of \$4.2 million disclosed in note 11.7 relate to the 'electronics – direct sales' reportable segment.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

4. Segment information (continued)

4.4. Segment assets

NZ IFRS 8.21

NZ IFRS 8.23

NZ IFRS 8.23

NZ IFRS 8.23

NZ IFRS 8.23

NZ IFRS 8.23

NZ IFRS 8.16

NZ IFRS 8.28

NZ IFRS 8.28(c)

NZ IFRS 8.27

		Group		
		2009	2008	1 Jan 2008
		NZ\$'000	NZ\$'000	NZ\$'000
Electronics	- direct sales	42,584	40,263	42,732
	- wholesalers and retail outlets	48,596	46,061	49,142
	- internet sales	32,648	32,817	35,254
Leisure goods	- wholesalers	24,851	33,942	36,322
	- retail outlets	38,032	44,432	47,005
Other		48,069	39,680	42,734
Total segment assets		234,780	237,195	253,189
Unallocated assets		27,678	23,934	25,639
Total assets		262,458	261,129	278,828

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than investments in associates, other financial assets (note 16) and tax assets. Goodwill has been allocated to reportable segments as described in note 27.2. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

4.5. Other segment information

NZ IFRS 8.23(e),24(b)

NZ IFRS 8.23(e),24(b)

NZ IFRS 8.23(e),24(b)

NZ IFRS 8.23(e),24(b)

NZ IFRS 8.23(e),24(b)

NZ IFRS 8.23(e),24(b)

NZ IFRS 8.23(e),24(b)

		Depreciation and amortisation		Additions to non-current assets(*)	
		2009	2008	2009	2008
		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Electronics	- direct sales	2,697	3,039	4,183	2,144
	- wholesalers and retail outlets	3,076	3,466	1,776	1,023
	- internet sales	2,067	2,329	3,205	2,382
Leisure goods	- wholesalers	2,414	3,108	4,991	1,507
	- retail outlets	2,889	4,240	4,234	2,901
Other		1,036	1,168	4,610	2,275
		14,179	17,350	22,999	12,232

(*) excluding investments in associates, other financial assets and tax assets.

NZ IFRS 8.23(i)

NZ IAS 36.129

NZ IAS 36.130(c),(d)

In addition to the depreciation and amortisation reported above, other material non-cash items include impairment losses of \$1.2 million (2008: \$nil) and \$15,000 (2008: \$nil) recognised in profit or loss, in respect of property, plant and equipment and goodwill, respectively. These impairment losses were attributable to the following reportable segments:

NZ IFRS 8.23(i)

NZ IFRS 8.23(i)

NZ IFRS 8.23(i)

NZ IFRS 8.23(i)

		Group	
		2009	2008
		NZ\$'000	NZ\$'000
Electronics - direct sales		529	-
	- wholesalers and retail outlets	285	-
	- internet sales	390	-
		1,204	-
Other		15	-
		1,219	-

Further discussion on these impairment losses is included in note 25 and note 27.1.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

4. Segment information (continued)

4.6. Revenues from major products and services

The Group's revenues from its major products and services were as follows:

	Group	
	2009 NZ\$'000	2008 NZ\$'000
Continuing operations		
Electronics	85,266	91,874
Outdoor play equipment	21,003	22,850
Sports shoes and equipment	12,963	14,128
Construction	5,298	4,773
Other	16,388	18,215
	140,918	151,840
Discontinued operations		
Toy manufacturing	54,505	69,180
Bicycles	9,900	8,663
	64,405	77,843
Total revenue (excluding investment revenue) (note 5)	205,323	229,683

4.7. Geographical information

The Group operates in three principal geographical areas; New Zealand (country of domicile), North America and Europe.

The Group's revenue from external customers and information about its segment assets (non-current assets excluding investments in associates, finance lease receivables, other financial assets and tax assets) by geographical location (of the customer) are detailed below:

	Revenue from external customers		Non-current assets		
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
New Zealand	148,607	151,814	98,421	118,343	136,203
North America	25,898	43,562	21,411	25,745	29,630
Europe	25,485	25,687	16,085	19,341	22,260
Other	5,333	8,620	5,446	6,549	7,538
	205,323	229,683	141,363	169,978	195,631

4.8. Information about major customers

Included in revenues arising from direct sales of electronics of \$37.5 million (2008: \$39.6 million) (see 4.3 above) are revenues of approximately \$25.6 million (2008: \$19.8 million) which arose from sales to the Group's largest customer.

NZ IFRS 8.32

NZ IFRS 8.21,33(a),(b)

NZ IFRS 8.33(a),(b)

NZ IFRS 8.33(a),(b)

NZ IFRS 8.33(a),(b)

NZ IFRS 8.33(a),(b)

NZ IFRS 8.34



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

5. Revenue

NZ IAS 18.35(b)

An analysis of the revenue for the year (excluding investment revenue – note 6), for both continuing and discontinued operations; is as follows:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Continuing operations				
Revenue from the sale of goods	119,232	128,852	18,518	15,187
Revenue from the rendering of services	16,388	18,215	-	-
Construction contract revenue	5,298	4,773	-	-
	140,918	151,840	18,518	15,187
Discontinued operations				
Revenue from the sale of goods (note 10.3)	64,405	77,843	-	-
	205,323	229,683	18,518	15,187

NZ IAS 18.35(b)

Revenue from the sale of goods

NZ IAS 18.35(b)

Revenue from the rendering of services

NZ IAS 11.39(a)

Construction contract revenue

NZ IAS 18.35(b)

Discontinued operations

Revenue from the sale of goods (note 10.3)

NZ IFRS 7.23(d)

A portion of the revenue from the sale of goods denominated in foreign currencies is cash flow hedged. The amounts disclosed about the revenue from the sale of goods include the recycling of the effective amount of the foreign currency derivatives that are used to hedge foreign currency revenue. The amount included in revenue from continuing operations is \$nil (2008: \$nil) (Company: \$nil (2008: \$nil)) and revenue from discontinued operations is \$nil (2008: \$nil) (Company: \$nil (2008: \$nil)).

6. Investment revenue

NZ IAS 17.47(e)

Continuing operations

Rental revenue:

Finance lease contingent rental revenue

Operating lease rental revenue:

Investment properties

Contingent rental revenue

Other

NZ IAS 18.35(b)

Interest revenue:

Bank deposits

Finance lease interest

Available-for-sale financial assets

Other loans and receivables

Held-to-maturity investments

Impaired financial assets

NZ IFRS 7.20(b)

Total interest revenue on financial assets that are not at fair value through profit or loss

NZ IAS 18.35(b)

Royalties

NZ IAS 18.35(b)

Dividends

Other (aggregate of immaterial items)

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Continuing operations				
Rental revenue:				
Finance lease contingent rental revenue	-	-	-	-
Operating lease rental revenue:				
Investment properties	18	14	-	-
Contingent rental revenue	-	-	-	-
Other	-	-	-	-
	18	14	-	-
Interest revenue:				
Bank deposits	1,622	715	1,345	365
Finance lease interest	28	26	-	-
Available-for-sale financial assets	154	148	154	148
Other loans and receivables	66	5	1,746	1,230
Held-to-maturity investments	445	410	3	4
Impaired financial assets	-	-	-	-
	2,315	1,304	3,248	1,747
Other				
Royalties	579	428	-	-
Dividends	156	154	8,945	10,961
Other (aggregate of immaterial items)	540	451	10	8
	3,608	2,351	12,203	12,716



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

7. Other gains and losses

NZ IAS 1.98(c)
NZ IAS 1.98(d)
NZ IAS 20.39(b)
NZ IAS 21.52(a)

NZ IAS 40.76(d)

NZ IFRS 7.24(b)
NZ IFRS 7.24(c)

NZ IAS 1.98(c)
NZ IAS 1.98(d)
NZ IAS 21.52(a)

NZ IAS 40.76(d)

NZ IFRS 7.24(b)
NZ IFRS 7.24(c)

NZ IAS 21.52(a)

Continuing operations

Other income:

Net gains on disposal of property, plant and equipment	6	67	14	-
Net gains on disposal of investments	-	-	-	-
Government grants received for staff re-training	731	979	226	35
Net foreign exchange gains (i)	114	-	12	8
Change in fair value of financial assets designated as at FVTPL	-	-	-	-
Change in fair value of financial assets classified as held for trading	-	-	-	-
Change in fair value of financial liabilities designated as at FVTPL	-	-	-	-
Change in fair value of financial liabilities classified as held for trading	-	-	-	-
Change in fair value of investment property (note 26)	-	8	-	-
Reclassification of gains from equity on disposal of investments classified as available-for-sale	-	-	-	-
Hedge ineffectiveness on cash flow hedges	89	68	-	-
Hedge ineffectiveness on hedges of net investments in foreign operations	-	-	-	-

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Continuing operations				
Other income:				
Net gains on disposal of property, plant and equipment	6	67	14	-
Net gains on disposal of investments	-	-	-	-
Government grants received for staff re-training	731	979	226	35
Net foreign exchange gains (i)	114	-	12	8
Change in fair value of financial assets designated as at FVTPL	-	-	-	-
Change in fair value of financial assets classified as held for trading	-	-	-	-
Change in fair value of financial liabilities designated as at FVTPL	-	-	-	-
Change in fair value of financial liabilities classified as held for trading	-	-	-	-
Change in fair value of investment property (note 26)	-	8	-	-
Reclassification of gains from equity on disposal of investments classified as available-for-sale	-	-	-	-
Hedge ineffectiveness on cash flow hedges	89	68	-	-
Hedge ineffectiveness on hedges of net investments in foreign operations	-	-	-	-
	940	1,122	252	43
Included within other expenses:				
Net losses on disposal of property, plant and equipment	-	-	-	(2)
Net losses on disposal of investments	-	-	-	-
Net foreign exchange losses (i)	-	(117)	-	-
Change in fair value of financial assets designated as at FVTPL	-	-	-	-
Change in fair value of financial assets classified as held for trading	-	-	-	-
Change in fair value of financial liabilities designated as at FVTPL	-	-	-	-
Change in fair value of financial liabilities classified as held for trading	-	-	-	-
Change in fair value of investment property (note 26)	(6)	-	-	-
Reclassification of losses from equity on disposal of investments classified as available-for-sale	-	-	-	-
Hedge ineffectiveness on cash flow hedges	-	-	-	-
Hedge ineffectiveness on hedges of net investments in foreign operations	-	-	-	-
	(6)	(117)	-	(2)

Included within other expenses:

Net losses on disposal of property, plant and equipment	-	-	-	(2)
Net losses on disposal of investments	-	-	-	-
Net foreign exchange losses (i)	-	(117)	-	-
Change in fair value of financial assets designated as at FVTPL	-	-	-	-
Change in fair value of financial assets classified as held for trading	-	-	-	-
Change in fair value of financial liabilities designated as at FVTPL	-	-	-	-
Change in fair value of financial liabilities classified as held for trading	-	-	-	-
Change in fair value of investment property (note 26)	(6)	-	-	-
Reclassification of losses from equity on disposal of investments classified as available-for-sale	-	-	-	-
Hedge ineffectiveness on cash flow hedges	-	-	-	-
Hedge ineffectiveness on hedges of net investments in foreign operations	-	-	-	-

- (i) The Group's net exchange gains in the year amounted to \$144,000 (2008: net exchange losses of \$68,000), of which net gains of \$114,000 (2008: net losses of \$117,000) are attributable to continuing operations (see above), and net gains of \$30,000 (2008: net gains of \$49,000) are attributable to discontinued operations (note 10.3). The Company's net exchange gains in the current and prior year are all attributable to continuing operations.

COMMENTARY

If the redeemable cumulative preference shares are designated as financial liabilities at FVTPL, the following items would also be included in this note:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Continuing operations				
Included within other expenses:				
Change in fair value of financial liabilities designated as at FVTPL (i)	(563)	-	(563)	-
Change in fair value of financial assets classified as held for trading (ii)	(54)	-	(54)	-



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

7. Other gains and losses (continued)

COMMENTARY	
NZ IFRS 7.B5(e)	(i) The net loss on redeemable cumulative preference shares designated as at FVTPL includes dividends of \$613,000 paid during the year.
NZ IFRS 7.B5(e)	(ii) The net loss on the interest rate swap (that economically hedges the fair value of cumulative preference shares, but for which hedge accounting was not applied) includes net interest of \$4,000 paid during the year.

8. Finance costs

NZ IFRS 7.20(b)
NZ IAS 23.26(a)

NZ IFRS 7.24(a)

NZ IFRS 7.24(a)

NZ IFRS 7.23(d)

NZ IFRS 5.30

NZ IAS 23.26(b)

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Interest on bank overdrafts and other borrowings	4,417	6,189	2,133	1,653
Interest on obligations under finance leases	75	54	-	-
Dividends on redeemable cumulative preference shares classified as financial liabilities (note 30 and 39)	613	-	613	-
Interest on convertible notes	110	-	110	-
Interest on perpetual notes	52	-	52	-
Other interest expense	25	-	25	-
Total interest expense on financial liabilities that are not at FVTPL	5,292	6,243	2,933	1,653
Less amounts included in the cost of qualifying assets	(11)	(27)	-	-
	5,281	6,216	2,933	1,653
Loss/(gain) arising on derivatives in a designated fair value hedge accounting relationship	5	-	-	-
(Gain)/loss arising on adjustment to hedged item in a designated fair value hedge accounting relationship	(5)	-	-	-
	-	-	-	-
Fair value gains reclassified from equity on interest rate swaps designated as cash flow hedges of floating rate debt (note 38.5)	(125)	(89)	-	-
Unwinding of discounts on provisions (note 33)	28	30	-	-
Unwinding of discount on costs to sell non-current assets classified as held for sale	-	-	-	-
Other finance costs	-	-	-	-
	5,184	6,157	2,933	1,653
Attributable to:				
Continuing operations	5,034	6,023	2,933	1,653
Discontinued operations (note 10)	150	134	-	-
	5,184	6,157	2,933	1,653

The Group weighted average capitalisation rate on funds borrowed generally is 8.0% per annum (2008: 7.8% per annum).



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

8. Finance costs (continued)

COMMENTARY

Judgement should be used in deciding whether hedging gains and losses form part of finance costs or part of other expenses, considering, for example:

- (a) accounting policies;
- (b) nature of the instruments; and
- (c) objectives in entering into the hedging instruments.

If redeemable cumulative preference shares are designated as financial liabilities at FVTPL, the dividend on the redeemable cumulative preference shares would not be shown as part of finance costs above. Instead, it would be included in note 7 in accordance with the Group's accounting policy to include any interest paid on a financial liability at FVTPL in the net gain or loss.

9. Income taxes

9.1. Income tax recognised in profit or loss

NZ IAS 12.79

NZ IAS 12.80(a)

NZ IAS 12.80(b)

NZ IAS 12.80(e)

NZ IAS 12.80(c)

NZ IAS 12.80(d)

NZ IAS 12.80(f)

NZ IAS 12.80(g)

NZ IAS 12.80(h)

NZ IFRS 5.30

Tax expense comprises:

Current tax expense /(income) in respect of the current year	
Adjustments recognised in the current year in relation to the current tax of prior years	
Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period that is used to reduce current tax expense	
Deferred tax expense relating to the origination and reversal of temporary differences	
Deferred tax reclassified from equity to income	
Effect of changes in income tax rates and tax laws	
Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period that is used to reduce deferred tax expense	
Write-down/(reversals of previous write-downs) of deferred tax assets	
Tax expense/(income) associated with changes in accounting policies that cannot be accounted for retrospectively	

Total tax expense/(income)

Attributable to:

Continuing operations	
Discontinued operations (note 10.3)	

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Current tax expense /(income) in respect of the current year	12,980	14,399	6,145	5,528
Adjustments recognised in the current year in relation to the current tax of prior years	-	-	-	-
Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period that is used to reduce current tax expense	-	-	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	1,643	490	33	19
Deferred tax reclassified from equity to income	(157)	(90)	-	-
	1,486	400	33	19
Effect of changes in income tax rates and tax laws	-	-	-	-
Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period that is used to reduce deferred tax expense	-	-	-	-
Write-down/(reversals of previous write-downs) of deferred tax assets	-	-	-	-
Tax expense/(income) associated with changes in accounting policies that cannot be accounted for retrospectively	-	-	-	-
Total tax expense/(income)	14,466	14,799	6,178	5,547
Attributable to:				
Continuing operations	11,306	11,801	6,178	5,547
Discontinued operations (note 10.3)	3,160	2,998	-	-
	14,466	14,799	6,178	5,547



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

9. Income taxes (continued)

9.1. Income tax recognised in profit or loss (continued)

NZ IAS 12.81(c)

The total charge for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Profit from continuing operations	29,548	32,138	20,069	17,973
Profit from discontinued operations (note 10.3)	11,470	12,993	-	-
Profit from operations	41,018	45,131	20,069	17,973
Income tax expense calculated at 30%	12,305	13,539	6,021	5,392
Effect of revenue that is exempt from taxation	(75)	(66)	-	-
Effect of expenses that are not deductible in determining taxable profit	2,231	1,326	157	155
Impairment losses on goodwill that are not deductible	5	-	-	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	-	-	-	-
Effect of previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	-	-	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-	-	-
Effect on deferred tax balances due to changes in income tax rates	-	-	-	-
	14,466	14,799	6,178	5,547
Adjustments recognised in the current year in relation to the current tax of prior years	-	-	-	-
Income tax expense recognised in profit or loss	14,466	14,799	6,178	5,547

NZ IAS 12.81(d)

NZ IAS 12.80(b)

NZ IAS 12.NZ 4.1,4.1A

COMMENTARY

Qualifying entities electing to account for income tax under the income taxes payable method are not required to comply with the disclosure requirements in NZ IAS 12 in so far as they relate to disclosure of:

- (a) deferred tax expense (income); and
- (b) the amount of income tax relating to each component of other comprehensive income.

NZ IAS 12.NZ 4.3

Qualifying entities are permitted to explain the relationship between tax expense/(income) and accounting profit (i.e. the reconciliation presented above, as required by NZ IAS 12.81(c)), using the gross amounts of the relevant items of income or expense (rather than their related tax effects).

NZ IAS 12.81(c),(d)

The tax rate used for the reconciliations above is the corporate tax rate of 30% (2008: 30%) payable by New Zealand corporate entities on taxable profits under New Zealand tax law.

The corporate tax rate in New Zealand was changed from 33% to 30% with effect from 1 January 2008.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

9. Income taxes (continued)

NZ IAS 12.81(a),(ab)

9.2. *Income tax recognised in other comprehensive income and directly in equity*

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Income tax recognised in other comprehensive income:				
<i>Current tax</i>				
Other [describe]	-	-	-	-
	-	-	-	-
<i>Deferred tax</i>				
<i>Arising on income and expenses recognised in other comprehensive income:</i>				
Property revaluations	-	180	-	1
Translation of foreign operations	23	36	-	-
Revaluations of financial instruments treated as cash flow hedges	131	95	-	-
Revaluation of financial instruments designated in a hedge of a net investment in a foreign operation	(4)	-	-	-
Revaluations of available-for-sale financial assets	28	24	9	(17)
Equity accounting adjustments	-	-	-	-
	178	335	9	(16)
Effect on reserves balance due to changes in income tax rates	-	-	-	-
	178	335	9	(16)
<i>Reclassifications from equity to profit or loss:</i>				
On cash flow hedges	(119)	(90)	-	-
On disposal of a foreign operation	(38)	-	-	-
	(157)	(90)	-	-
Total income tax recognised in other comprehensive income	21	245	9	(16)
Income tax recognised directly in equity				
<i>Current tax</i>				
Other [describe]	-	-	-	-
	-	-	-	-
<i>Deferred tax</i>				
<i>Arising on transactions with equity participants:</i>				
Initial recognition of the equity component of compound financial instruments (convertible note)	250	-	250	-
Other [describe]	-	-	-	-
	250	-	250	-
Total income tax recognised directly in equity	250	-	250	-

NZ IAS 12.81(a)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

9. Income taxes (continued)

9.3. Current tax assets and liabilities

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Current tax assets						
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-	-	-	-	-
Tax refund receivable	85	60	-	-	-	-
Other [describe]	-	-	-	-	-	-
	85	60	-	-	-	-
Current tax liabilities						
Income tax payable	5,133	5,868	1,567	4,624	4,643	6,581
Other [describe]	-	-	-	-	-	-
	5,133	5,868	1,567	4,624	4,643	6,581

9.4. Deferred tax balances

Deferred tax assets/(liabilities) arise from the following:

NZ IAS 12.81(a),(g)

	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Reclassified from equity to profit or loss	Charged directly to equity	Acquisitions/disposals	Changes in income tax rates	Closing balance
Group 2009	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Temporary differences								
Cash flow hedges	(116)	-	(131)	119	-	-	-	(128)
Net investment hedges	-	-	4	-	-	-	-	4
Equity-accounted investments	(1,268)	(356)	-	-	-	-	-	(1,624)
Inventory	-	-	-	-	-	2	-	2
Property, plant & equipment	(2,908)	(1,528)	-	-	-	513	-	(3,923)
Finance leases	(22)	18	-	-	-	-	-	(4)
Intangible assets	(572)	214	-	-	-	-	-	(358)
FVTPL financial assets	-	-	-	-	-	-	-	-
Available-for-sale financial assets	(225)	-	(28)	-	-	-	-	(253)
Convertible notes	-	9	-	-	(250)	-	-	(241)
Exchange difference on a foreign operation	(96)	-	(23)	38	-	-	-	(81)
Provisions	1,622	31	-	-	-	-	-	1,653
Doubtful debts	251	(12)	-	-	-	-	-	239
Other financial liabilities	5	2	-	-	-	-	-	7
Deferred revenue	44	11	-	-	-	-	-	55
Other [describe]	(43)	(32)	-	-	-	-	-	(75)
	(3,328)	(1,643)	(178)	157	(250)	515	-	(4,727)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

9. Income taxes (continued)

9.4. Deferred tax balances (continued)

NZ IAS 12.81(a),(g)

	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Reclassified from equity to profit or loss	Charged directly to equity	Acquisitions/disposals	Changes in income tax rates	Closing balance
Group 2009 (continued)	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Unused tax losses and credits								
Tax losses	-	-	-	-	-	-	-	-
Foreign tax credits	-	-	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	(3,328)	(1,643)	(178)	157	(250)	515	-	(4,727)

NZ IAS 12.81(a),(g)

	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Reclassified from equity to profit or loss	Charged directly to equity	Acquisitions/disposals	Changes in income tax rates	Closing balance
Group 2008	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Temporary differences								
Cash flow hedges	(111)	-	(95)	90	-	-	-	(116)
Net investment hedges	-	-	-	-	-	-	-	-
Equity-accounted investments	(791)	(477)	-	-	-	-	-	(1,268)
Inventory	-	-	-	-	-	-	-	-
Property, plant & equipment	(2,540)	(188)	(180)	-	-	-	-	(2,908)
Finance leases	(29)	7	-	-	-	-	-	(22)
Intangible assets	(669)	97	-	-	-	-	-	(572)
FVTPL financial assets	-	-	-	-	-	-	-	-
Available-for-sale financial assets	(201)	-	(24)	-	-	-	-	(225)
Exchange difference on a foreign operation	(60)	-	(36)	-	-	-	-	(96)
Provisions	1,692	(70)	-	-	-	-	-	1,622
Doubtful debts	139	112	-	-	-	-	-	251
Other financial liabilities	9	(4)	-	-	-	-	-	5
Deferred revenue	25	19	-	-	-	-	-	44
Other [describe]	(57)	14	-	-	-	-	-	(43)
	(2,593)	(490)	(335)	90	-	-	-	(3,328)
Unused tax losses and credits								
Tax losses	-	-	-	-	-	-	-	-
Foreign tax credits	-	-	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-	-	-
	(2,593)	(490)	(335)	90	-	-	-	(3,328)
	(2,593)	(490)	(335)	90	-	-	-	(3,328)



**Notes to the financial statements
for the year ended 31 December 2009**

9. Income taxes (continued)

9.4. Deferred tax balances (continued)

Company 2009	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Reclassified from equity to profit or loss	Charged directly to equity	Acquisitions/disposals	Changes in income tax rates	Closing balance
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Temporary differences								
Cash flow hedges	-	-	-	-	-	-	-	-
Net investment hedges	-	-	-	-	-	-	-	-
Equity-accounted investments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Property, plant & equipment	(3)	(41)	-	-	-	-	-	(44)
Finance leases	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
FVTPL financial assets	-	-	-	-	-	-	-	-
Available-for-sale financial assets	(15)	-	(9)	-	-	-	-	(24)
Convertible notes	-	9	-	-	(250)	-	-	(241)
Exchange difference on a foreign operations	-	-	-	-	-	-	-	-
Provisions	52	(2)	-	-	-	-	-	50
Doubtful debts	1	1	-	-	-	-	-	2
Other financial liabilities	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Other [describe]	3	-	-	-	-	-	-	3
	38	(33)	(9)	-	(250)	-	-	(254)
Unused tax losses and credits								
Tax losses	-	-	-	-	-	-	-	-
Foreign tax credits	-	-	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	38	(33)	(9)	-	(250)	-	-	(254)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

9. Income taxes (continued)

9.4. Deferred tax balances (continued)

NZ IAS 12.81(a),(g)

	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Reclassified from equity to profit or loss	Charged directly to equity	Acquisitions/disposals	Changes in income tax rates	Closing balance
Company 2008	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Temporary differences								
Cash flow hedges	-	-	-	-	-	-	-	-
Net investment hedges	-	-	-	-	-	-	-	-
Equity-accounted investments	-	-	-	-	-	-	-	-
Property, plant & equipment	11	(13)	(1)	-	-	-	-	(3)
Finance leases	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
FVTPL financial assets	-	-	-	-	-	-	-	-
Available-for-sale financial assets	(32)	-	17	-	-	-	-	(15)
Exchange difference on foreign operations	-	-	-	-	-	-	-	-
Provisions	58	(6)	-	-	-	-	-	52
Doubtful debts	1	-	-	-	-	-	-	1
Other financial liabilities	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Other [describe]	3	-	-	-	-	-	-	3
	41	(19)	16	-	-	-	-	38
Unused tax losses and credits								
Tax losses	-	-	-	-	-	-	-	-
Foreign tax credits	-	-	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	41	(19)	16	-	-	-	-	38

Deferred tax balances are classified as:

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Deferred tax liabilities/(assets)	4,297	3,328	2,593	254	(38)	41
Directly associated with assets held for sale (note 24.2)	430	-	-	-	-	-
	4,727	3,328	2,593	254	(38)	41

NZ IAS 12.82

COMMENTARY

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- The utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- The entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

9. Income taxes (continued)

9.5. Unrecognised deferred tax assets

NZ IAS 12.81(e)

The following deferred tax assets have not been recognised at 31 December:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Tax losses	-	-	-	-
Unused tax credits (expire [date])	-	-	-	-
Deductible temporary differences	-	-	-	-
	-	-	-	-

NZ IAS 12.81(e)

Tax losses

NZ IAS 12.81(e)

Unused tax credits (expire [date])

NZ IAS 12.NZ 4.1(b),81(e)

Deductible temporary differences

NZ IAS 12.81(e)

The unrecognised tax losses will expire in 2011.

9.6. Unrecognised taxable temporary differences

NZ IAS 12.81(f)

Taxable temporary differences in relation to investments in subsidiaries, branches and associates and interests in joint ventures for which deferred tax liabilities have not been recognised are attributable to the following:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Domestic subsidiaries	120	125	-	-
Foreign subsidiaries	-	-	-	-
Associates and jointly controlled entities	-	-	-	-
Other [describe]	-	-	-	-
	120	125	-	-

NZ IAS 12.NZ 81.1

9.7. Imputation credit account balances

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	47,996	40,628	40,014	30,627
Attached to dividends received	80	77	3,834	4,698
Taxation paid	13,724	10,068	6,152	7,466
Attached to dividends paid	(2,844)	(2,777)	(2,844)	(2,777)
Balance at end of the year	58,956	47,996	47,156	40,014
Imputation credits available directly and indirectly to shareholders of the parent company, through:				
Parent company	47,156	40,014		
Subsidiaries	11,800	7,982		
	58,956	47,996		



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

9. Income taxes (continued)

9.8. Income tax effects relating to each component of other comprehensive income

Group	Before tax amount	Tax (expense)/ benefit	Net of tax amount	Before tax amount	Tax (expense)/ benefit	Net of tax amount
	2009 NZ\$'000	2009 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	2008 NZ\$'000	2008 NZ\$'000
Revaluation of properties	-	-	-	1,645	(180)	1,465
Available-for-sale financial assets	94	(28)	66	81	(24)	57
Cash flow hedges	39	(12)	27	16	(5)	11
Hedge of net investment	(12)	4	(8)	-	-	-
Translation of foreign operations	(50)	15	(35)	121	(36)	85
	71	(21)	50	1,863	(245)	1,618

Company	Before tax amount	Tax (expense)/ benefit	Net of tax amount	Before tax amount	Tax (expense)/ benefit	Net of tax amount
	2009 NZ\$'000	2009 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	2008 NZ\$'000	2008 NZ\$'000
Revaluation of properties	-	-	-	2	(1)	1
Available-for-sale financial assets	31	(9)	22	(55)	17	(38)
Cash flow hedges	-	-	-	-	-	-
Hedge of net investment in a foreign operation	-	-	-	-	-	-
Translation of foreign operations	-	-	-	-	-	-
	31	(9)	22	(53)	16	(37)

COMMENTARY

Qualifying entities which elect to account for income taxes under the income taxes payable method and present components of other comprehensive income before related tax effects, with one amount shown for the aggregate amount of income tax (as demonstrated in the statement of changes in equity in these model financial statements), are not required to disclose the amount of income tax relating to each component of other comprehensive income.

Qualifying entities which elect to account for income taxes under the income taxes payable method and present components of other comprehensive income net of related tax effects shall disclose the aggregate amount of income tax relating to components of other comprehensive income in the notes.

NZ IAS 1.NZ 6.1,
NZ IAS 12.NZ 4.1A

10. Discontinued operations

10.1. Disposal of toy manufacturing operations

NZ IFRS 5.30
NZ IFRS 5.41(a),(b),(c)

On 28 September 2009, the Board of Directors entered into a sale agreement to dispose of the Group's toy manufacturing operations. The proceeds of sale substantially exceeded the carrying amount of the related net assets and, accordingly, no impairment losses were recognised on the reclassification of these operations as held for sale. The disposal of the toy manufacturing operations is consistent with the Group's long-term policy to focus its activities in the electronics and other leisure goods markets. The disposal was completed on 30 November 2009, on which date control of the toy manufacturing operations passed to the acquirer. Details of the assets and liabilities disposed of are disclosed in note 21.1.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

10. Discontinued operations (continued)

10.2. Plan to dispose of the bicycle business

NZ IFRS 5.30
NZ IFRS 5.41(a),(b),(c)

On 30 November 2009, the Board of Directors announced a plan to dispose of the Group's bicycle business. The disposal is consistent with the Group's long-term policy to focus its activities in the electronics and other leisure goods markets. The Group is actively seeking a buyer for its bicycle business and expects to complete the sale by 31 July 2010. On initial reclassification of these operations as held for sale, the Group has not recognised any impairment losses.

The bicycle business has been classified and accounted for at 31 December 2009 as a disposal group held for sale (note 24.2).

10.3. Analysis of profit for the year from discontinued operations

The combined results of the discontinued operations (i.e. toy manufacturing operations and bicycle businesses) included in the [income statement/statement of comprehensive income] are set out below.

NZ IFRS 5.34

The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

NZ IFRS 5.33(b)

Profit for the year from discontinued operations

NZ IFRS 5.33(b)

Revenue (note 5)

Other gains (note 7)

NZ IFRS 5.33(b)

Expenses

NZ IFRS 5.33(b)

Profit before tax

NZ IFRS 5.33(b),
NZ IAS 12.81(h)

Attributable income tax expense (note 9.1)

NZ IFRS 5.33(b)

Gain/(loss) on remeasurement to fair value less costs to sell

Gain/(loss) on disposal of operation (including \$125,000 reclassification of foreign currency translation reserve on disposal of subsidiary)

NZ IFRS 5.33(b),
NZ IAS 12.81(h)

Attributable income tax expense (note 9.1)

Profit for the year from discontinued operations

10.4. Cash flows from discontinued operations

NZ IFRS 5.33(c)

Net cash flows from operating activities

NZ IFRS 5.33(c)

Net cash flows from investing activities

NZ IFRS 5.33(c)

Net cash flows from financing activities

Net cash flows

		Group	
		2009 NZ\$'000	2008 NZ\$'000
	Revenue (note 5)	64,405	77,843
	Other gains (note 7)	30	49
	Expenses	(54,910)	(64,899)
	Profit before tax	9,525	12,993
	Attributable income tax expense (note 9.1)	(2,524)	(2,998)
	Gain/(loss) on remeasurement to fair value less costs to sell	7,001	9,995
	Gain/(loss) on disposal of operation (including \$125,000 reclassification of foreign currency translation reserve on disposal of subsidiary)	1,945	-
	Attributable income tax expense (note 9.1)	(636)	-
	Profit for the year from discontinued operations	8,310	9,995
	Net cash flows from operating activities	6,381	7,078
	Net cash flows from investing activities	2,767	-
	Net cash flows from financing activities	(5,000)	-
	Net cash flows	4,148	7,078



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

11. Profit for the year (continued)

11.6. Employee benefits expense

NZ IAS 19.46

Post employment benefits

Defined contribution plans (note 36.1)
Defined benefit plans (note 36.2)

NZ IFRS 2.50
NZ IFRS 2.51(a)

Share-based payments (note 42)

Equity-settled share-based payments
Cash-settled share-based payments

NZ IFRS 2.51(a)

Other

NZ IAS 19.142

Termination benefits
Other employee benefits

NZ IAS 1.104

NZ IFRS 5.30

Attributable to:

Continuing operations
Discontinued operations

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Defined contribution plans (note 36.1)	160	148	-	-
Defined benefit plans (note 36.2)	586	556	-	-
	746	704	-	-
Equity-settled share-based payments	206	338	206	338
Cash-settled share-based payments	-	-	-	-
	206	338	206	338
Termination benefits	-	-	-	-
Other employee benefits	13,426	14,397	4,862	4,613
	14,378	15,439	5,068	4,951
Continuing operations	9,803	11,655	5,068	4,951
Discontinued operations	4,575	3,784	-	-
	14,378	15,439	5,068	4,951

11.7. Rectification expense

NZ IAS 1.97

Costs of \$4.2 million have been recognised by the Group during the year in respect of rectification work to be carried out on goods supplied to one of the Group's major customers, which have been included in [raw materials and consumables used/cost of sales and employee benefits expense]. The amount represents the estimated cost of work to be carried out in accordance with an agreed schedule of works up to 2011. \$1.1 million of the provision has been utilised in the current period, with a provision of \$3.1 million carried forward to meet anticipated expenditure in 2010 and 2011 (see note 33).

11.8. Remuneration of auditors

Co Act s.211(1)(j),
NZ IAS 1.NZ 105.1(a)
Co Act s.211(1)(j),
NZ IAS 1.NZ 105.1(a)

Auditor of the parent company

Audit of financial statements
Audit related services for review of financial statements not reported above
Taxation services (tax compliance services)
Other non-audit services [describe]

Co Act s.211(1)(j),
NZ IAS 1.NZ 105.1(a)
Co Act s.211(1)(j),
NZ IAS 1.NZ 105.1(a)

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Audit of financial statements	442	406	124	123
Audit related services for review of financial statements not reported above	-	-	-	-
Taxation services (tax compliance services)	300	352	-	-
Other non-audit services [describe]	-	-	-	-
	742	758	124	123
Audit of the financial statements	237	419	-	-

Other auditor(s) of entities in the group (not including the parent company)

NZ IAS 1.NZ 105.1(b)

Audit of the financial statements



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

11. Profit for the year (continued)

11.9. Net gains and losses by category

NZ IFRS 7.20(a)

Net (gains)/losses analysed by financial instrument category are as follows:

NZ IFRS 7.20(a)

NZ IFRS 7.20(a)

NZ IFRS 7.20(a)

NZ IFRS 7.20(a)

NZ IFRS 7.20(a)

NZ IFRS 7.20(a)

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Held for trading	-	-	-	-
Designated as at FVTPL	-	-	-	-
Held-to-maturity investments	(445)	(410)	(3)	(4)
Loans and receivables (including cash and bank balances)	(1,900)	(248)	(3,101)	(1,602)
Available-for-sale financial assets	(310)	(302)	(154)	(148)
Financial liabilities at amortised cost	5,281	6,216	2,933	1,653

Included within the category loans and receivables are foreign exchange gains of \$30,000 (2008: \$49,000) (Company: \$nil (2008: \$nil)) relating to discontinued operations.

Included within the category financial liabilities at amortised cost are finance costs of \$150,000 (2008: \$134,000) (Company: \$nil (2008: \$nil)) relating to discontinued operations.

12. Earnings per share

NZ IAS 33.2

COMMENTARY

NZ IAS 33 Earnings per Share, requires that earnings per share (EPS) information be presented in the consolidated financial statements of a group with a parent (and in the separate or individual financial statements of an entity):

- whose debt or equity instruments are traded in a public market; or
- that files, or is in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market (This may include some qualifying entities).

Accordingly, most qualifying entities are likely to be exempt from NZ IAS 33.

NZ IAS 33.66

NZ IAS 33.68

Basic earnings per share

From continuing operations

From discontinued operations

Total basic earnings per share

Diluted earnings per share

From continuing operations

From discontinued operations

Total diluted earnings per share

	Group	
	2009 Cents per share	2008 Cents per share
From continuing operations	76.4	82.8
From discontinued operations	44.6	47.1
Total basic earnings per share	121.0	129.9
From continuing operations	70.5	79.1
From discontinued operations	40.9	45.0
Total diluted earnings per share	111.4	124.1

NZ IAS 33.66

NZ IAS 33.68



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

12. Earnings per share (continued)

12.1. Basic earnings per share

NZ IAS 33.70(a)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Group	
	2009 NZ\$'000	2008 NZ\$'000
Profit for the year attributable to equity holders of the parent	22,552	27,569
Other [describe]	-	-
Earnings used in the calculation of total basic earnings per share	22,552	27,569
Profit for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operations	(8,310)	(9,995)
Other [describe]	-	-
Earnings used in the calculation of basic earnings per share from continuing operations	14,242	17,574

NZ IAS 33.70(a)

Earnings used in the calculation of basic earnings per share from continuing operations

	Group	
	2009 No'000	2008 No'000
Weighted average number of ordinary shares for the purposes of basic earnings per share (all measures)	18,632	21,230

NZ IAS 33.70(b)

Weighted average number of ordinary shares for the purposes of basic earnings per share (all measures)

12.2. Diluted earnings per share

NZ IAS 33.70(a)

The earnings used in the calculation of total diluted earnings per share and diluted earnings per share from continuing operations reconciles to net profit in the [income statement/statement of comprehensive income] as follows:

	Group	
	2009 NZ\$'000	2008 NZ\$'000
Profit for the year attributable to equity holders of the parent	22,552	27,569
Interest after tax on convertible notes	77	-
Earnings used in the calculation of total diluted earnings per share	22,629	27,569
Profit for the year from discontinued operations used in the calculation of diluted earnings per share from discontinued operations	(8,310)	(9,995)
Other [describe]	-	-
Earnings used in the calculation of diluted earnings per share from continuing operations	14,319	17,574

NZ IAS 33.70(a)

Earnings used in the calculation of diluted earnings per share from continuing operations



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

12. Earnings per share (continued)

12.2. Diluted earnings per share (continued)

NZ IAS 33.70(b)

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Group	
	2009 No'000	2008 No'000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	18,632	21,230
Shares deemed to be issued for no consideration in respect of:		
Employee options	161	85
Partly paid ordinary shares	923	900
Incremental shares from assumed conversion of convertible notes	602	-
Other [describe]	-	-
	20,318	22,215
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (all measures)		
The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share:		
Performance based employee share options	60	-
Other [describe]	-	-
	60	-

NZ IAS 33.70(b)

NZ IAS 33.70(c)

12.3. Impact of changes in accounting policies

NZ IAS 8.28(f)

Changes in the Group's accounting policies during the year are described in detail in note 2.4.1. To the extent that those changes have had an impact on results reported for 2009 and 2008, they have had an impact on the amounts reported for earnings per share.

The following table summarises that impact on both basic and diluted earnings per share:

	Basic earnings per share		Diluted earnings per share	
	2009 Cents per share	2008 Cents per share	2009 Cents per share	2008 Cents per share
Impact of change in accounting for customer loyalty programme:				
Continuing and discontinued operations	(0.3)	0.0	(0.2)	0.0
Continuing operations	(0.3)	0.0	(0.2)	0.0



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

13. Cash and cash equivalents

NZ IAS 7.45,46

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at 31 December as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Cash on hand	-	-	-	-	-	-
Cash at bank	199	778	381	552	681	279
Short-term deposits	20,000	19,000	18,683	8,000	6,000	6,695
Bank overdraft - unsecured	(520)	(314)	(180)	(502)	(212)	(200)
Bank overdraft - secured	(18)	(64)	(20)	-	-	-
	19,661	19,400	18,864	8,050	6,469	6,774
Cash and cash equivalents included in a disposal group held for sale (note 24.2)	1,435	-	-	-	-	-
	21,096	19,400	18,864	8,050	6,469	6,774

COMMENTARY

NZ IAS 7.48

An entity shall disclose, together with commentary by management, the amount of significant cash and cash equivalents that are not available for use by the Group.

14. Trade and other receivables

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Trade receivables	18,034	16,880	7,272	16,439	14,738	13,963
Allowance for doubtful debts (note 14.1)	(798)	(838)	(464)	(6)	(4)	(3)
Total trade receivables (net of allowances)	17,236	16,042	6,808	16,433	14,734	13,960
Deferred sales proceeds (note 21.2)	960	-	-	-	-	-
Operating lease receivable	-	-	-	-	-	-
Amounts due from customers under construction contracts (note 14.2)	240	230	200	-	-	-
Other [describe]	54	20	-	10	15	-
	18,490	16,292	7,008	16,443	14,749	13,960

14.1. Trade receivables

Total trade receivables (net of allowances) held by the Group at 31 December amounted to \$19.2 million (2008: \$16.0 million), comprising the amount presented above (2009: \$17.2 million; 2008: \$16.0 million) and trade receivables classified as held for sale (2009: \$2.0 million; 2008: \$nil) (note 24.2). There are no company trade receivables classified as held for sale (2008: \$nil).

NZ IFRS 7.36(b)

The Group does not hold any collateral in respect of the balances above.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

14. Trade and other receivables (continued)

14.1. Trade receivables (continued)

NZ IFRS 7.31,33(a),37(b)

The average credit period on sales of goods and rendering of services is 60 days. No interest is charged on trade receivables for the first 60 days from the date of the invoice. Thereafter, interest is charged at 2% per annum on the outstanding balance. The Group has provided fully for all receivables over 120 days because historical experience is such that receivables that are past due beyond 120 days are generally not recoverable. Trade receivables between 60 days and 120 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience.

NZ IFRS 7.33(a),(b),
34(c),36(c)

Before accepting a new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. 80% (Company: 79%) of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the external credit scoring system used by the Group. Of the trade receivables balance at 31 December, \$2.1 million (2008: \$1.7 million) (Company: \$1.9 million (2008: \$1.6 million)) is due from Company E, the Group's largest customer (note 4.8). There are no other customers who represent more than 5% of the total balance of trade receivables.

NZ IFRS 7.37(a),(c)

Included in the Group's trade receivable balance are debtors with a carrying amount of \$1.6 million (2008: \$1.0 million) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 84 days (2008: 85 days).

NZ IFRS 7.37(a),(c)

Included in the Company's trade receivable balance are debtors with a carrying amount of \$1.3 million (2008: \$0.9 million) which are past due at 31 December for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances. The average age of these receivables is 79 days (2008: 75 days).

NZ IFRS 7.37(a)

Ageing of past due but not impaired trade receivables

60-90 days

90-120 days

Total

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
60-90 days	1,100	700	1,017	684
90-120 days	462	333	294	256
Total	1,562	1,033	1,311	940
Movement in the allowance for doubtful debts				
<i>Balance at 1 January</i>	838	464	4	3
Impairment losses recognised on receivables (note 11.1)	63	430	2	1
Amounts written off as uncollectible	-	(56)	-	-
Amounts recovered during the year	-	-	-	-
Impairment losses reversed (note 11.1)	(103)	-	-	-
Unwind of discount	-	-	-	-
<i>Balance at 31 December</i>	798	838	6	4

NZ IFRS 7.16

Movement in the allowance for doubtful debts

Balance at 1 January

NZ IFRS 7.20(e)

Impairment losses recognised on receivables (note 11.1)

Amounts written off as uncollectible

Amounts recovered during the year

Impairment losses reversed (note 11.1)

Unwind of discount

Balance at 31 December

NZ IFRS 7.34(c),36(c)

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

NZ IFRS 7.37(b),(c)

Included in the allowance for doubtful debts are individually impaired trade receivables with a balance of \$63,000 (2008: \$52,000) for the Group and \$nil (2008: \$nil) for the Company, relating to entities which have been placed under liquidation. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. [The Group does not hold any collateral over these balances. / The net carrying amount of collateral is considered to approximate their fair value.]



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

14. Trade and other receivables (continued)

14.1. Trade receivables (continued)

NZ IFRS 7.37(b)

Ageing of individually impaired trade receivables

60-90 days
90-120 days
120+ days

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
60-90 days	5	5	-	-
90-120 days	6	11	-	-
120+ days	52	36	-	-
Total	63	52	-	-

Total

14.2. Construction contracts

Contracts in progress:

NZ IAS 11.40(a)

Construction costs incurred plus
recognised profits less recognised losses to
date
Less: progress billings

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Construction costs incurred plus recognised profits less recognised losses to date	1,517	1,386	1,260	-	-	-
Less: progress billings	(1,313)	(1,171)	(1,080)	-	-	-
	204	215	180	-	-	-
Classified as:						
Due from customers under construction contracts (note 14)	240	230	200	-	-	-
Due to customers under construction contracts (note 29)	(36)	(15)	(20)	-	-	-
	204	215	180	-	-	-

NZ IAS 11.42(a)

Due from customers under construction
contracts (note 14)

NZ IAS 11.42(b)

Due to customers under construction
contracts (note 29)

NZ IAS 11.40(b),(c)

At 31 December, retentions held by customers for contract work amounted to \$75,000 (2008: \$69,000) (Company: \$nil (2008: \$nil)). Advances received from customers for contract work amounted to \$14,000 (2008: \$nil) (Company: \$nil (2008: \$nil)).

14.3. Derecognition of financial assets

NZ IFRS 7.13(a),(b)

During the year, the Group transferred \$1.1 million (2008: \$nil) (Company: \$nil (2008: \$nil)) of trade receivables to an unrelated entity. As part of the transfer, the Group provided the transferee with a credit guarantee over the expected losses of those receivables. Accordingly, the Group continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing.

NZ IFRS 7.13(c), 14

At 31 December, the carrying amount of the transferred short-term receivables, which have been pledged as security for the borrowing, is \$0.9 million (2008: \$nil) (Company: \$nil (2008: \$nil)). The carrying amount of the associated liability is \$0.9 million (2008: \$nil) (Company: \$nil (2008: \$nil)) (note 30).

15. Finance lease receivables

15.1. Leasing arrangements

NZ IAS 17.47(f)
NZ IFRS 7.7

The Group enters into finance leasing arrangements for certain of its storage equipment. All leases are denominated in New Zealand dollars. The average term of finance leases entered into is 4 years.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

15. Finance lease receivables (continued)

15.2. Amounts receivable under finance leases

NZ IAS 17.47(a)

NZ IAS 17.47(a)

NZ IAS 17.47(a)

NZ IAS 17.47(a)

NZ IAS 17.47(c)

NZ IAS 17.47(b)

NZ IAS 17.47(d)

Group	Minimum future lease payments		Present value of minimum future lease payments	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Not later than one year	282	279	198	188
Later than one year and not later than five years	1,074	909	830	717
Later than five years	-	-	-	-
Minimum future lease payments(*)	1,356	1,188	1,028	905
Unguaranteed residual value	-	-	-	-
Gross finance lease receivable	1,356	1,188	1,028	905
Less unearned finance income	(328)	(283)	-	-
Present value of minimum future lease payments receivable	1,028	905	1,028	905
Allowance for uncollectible lease payments	-	-	-	-
	1,028	905	1,028	905
Classified as:				
Current			198	188
Non-current			830	717
			1,028	905

NZ IAS 17.47(a)

NZ IAS 17.47(a)

NZ IAS 17.47(a)

NZ IAS 17.47(c)

NZ IAS 17.47(b)

NZ IAS 17.47(d)

Company	Minimum future lease payments		Present value of minimum future lease payments	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Minimum future lease payments(*)	-	-	-	-
Unguaranteed residual value	-	-	-	-
Gross finance lease receivable	-	-	-	-
Less unearned finance income	-	-	-	-
Present value of minimum future lease payments receivable	-	-	-	-
Allowance for uncollectible lease payments	-	-	-	-
	-	-	-	-
Classified as:				
Current			-	-
Non-current			-	-
			-	-

(*) Minimum future lease payments receivable included the aggregate of all lease payments receivable and any guaranteed residual.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

16. Other financial assets (continued)

	Group			Company			
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	
NZ IFRS 7.7	Held-to-maturity investments carried at amortised cost						
	<i>Current</i>						
	Bills of exchange (i)	4,304	3,604	8,387	18	208	146
	Debentures (ii)	500	-	-	-	-	-
		4,804	3,604	8,387	18	208	146
	<i>Non-current</i>						
	Bills of exchange (i)	2,059	1,658	1,743	-	-	-
	Debentures (ii)	-	-	-	-	-	-
		2,059	1,658	1,743	-	-	-
NZ IFRS 7.7	Available-for-sale financial assets carried at fair value						
	<i>Current</i>						
	Redeemable notes (iii)	-	-	-	-	-	-
	Shares (iv)	-	-	-	-	-	-
		-	-	-	-	-	-
	<i>Non-current</i>						
	Redeemable notes (iii)	2,200	2,122	1,838	2,200	2,122	1,838
	Shares (iv)	5,910	5,736	5,800	689	640	640
		8,110	7,858	7,638	2,889	2,762	2,478
NZ IFRS 7.7	Loans carried at amortised cost						
	<i>Current</i>						
	Loans to subsidiaries (v)	-	-	-	-	-	-
	Loans to other related parties (vi)	3,637	3,088	355	2,420	-	4,070
	Loans to other entities	-	-	-	-	-	-
		3,637	3,088	355	2,420	-	4,070
	<i>Non-current</i>						
	Loans to subsidiaries (v)	-	-	-	24,597	30,035	30,457
	Loans to other related parties (vi)	-	-	-	-	-	-
	Loans to other entities	-	-	-	-	-	-
		-	-	-	24,597	30,035	30,457
	Investments carried at cost						
	<i>Non-current</i>						
	Investments in subsidiaries	-	-	-	63,845	63,845	63,845
	Investments in associates	-	-	-	1,697	1,697	1,697
	Investments in jointly controlled entities	-	-	-	756	756	756
		-	-	-	66,298	66,298	66,298
		19,138	16,605	18,693	96,222	99,303	103,449



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

16. Other financial assets (continued)

	Group			Company	
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	1 Jan 2008 NZ\$'000
Classified as:					
Current	8,757	6,949	9,152	208	4,216
Non-current	10,381	9,656	9,541	99,095	99,233
	19,138	16,605	18,693	99,303	103,449

NZ IFRS 7.7

(i) The Company and Group hold bills of exchange returning a floating rate of interest. The weighted average interest rate on these securities is 7.10% per annum (2008: 7.0% per annum). The bills have maturity dates ranging between 3 to 18 months from the end of the reporting period.

NZ IFRS 7.7

(ii) The debentures return interest of 6% per annum payable monthly, and mature in March 2010.

NZ IFRS 7.7

(iii) The Group holds listed redeemable notes returning 7% per annum. The notes are redeemable in 2012.

NZ IAS 28.37(d)

(iv) The Group holds 20% (2008: 20%) of the ordinary share capital of Fuel Products Corporation Limited, a company involved in the refining and distribution of fuel products. The directors of the Group do not consider that the Group is able to exert significant influence over Fuel Products Corporation Limited as the other 80% of the ordinary share capital is controlled by one shareholder, who also manages the day-to-day operations of that company.

NZ IFRS 7.7,
NZ IAS 24.17(b)
NZ IAS 24.17(b)

(v) Loans to subsidiaries are repayable on demand. Interest rates are set out at note 43.2.

(vi) The Group has provided several of its key management personnel and a joint venture entity with short-term loans at rates comparable to the average commercial rate of interest. Further information about these loans is contained in note 43.4 and note 43.5.

17. Subsidiaries

NZ IAS 27.42(b),
NZ IAS 24.12

Details of the Company's subsidiaries at 31 December are as follows:

Name of subsidiary	Place of incorporation (or registration) and operation	Principal activity	Ownership interests and voting rights	
			2009 %	2008 %
Green Dot Electronics Limited	New Zealand	Manufacture of electronics	100	100
Green Dot Manufacturing Limited	New Zealand	Manufacture of leisure goods	45	45
Green Dot Construction Limited	New Zealand	Construction of residential properties	100	100
Green Dot Toys Limited	USA	Manufacture of leisure goods	70	70
Green Dot Equipment Limited	United Kingdom	Manufacture of electronics	100	100
Green Dot Finance Limited	New Zealand	Financial operations	100	-
Green Dot Distributions Limited	New Zealand	Distribution	100	-

NZ IAS 27.40(c)

Although the Company does not own more than half of the equity shares of Green Dot Manufacturing Limited, and consequently it does not control more than half of the voting power of those shares, it has the power to appoint and remove the majority of the board of directors and control of the entity is by the board. Consequently, Green Dot Manufacturing Limited is controlled by the Company and is consolidated in these financial statements.

Green Dot Holdings Limited is incorporated in New Zealand and is the parent entity of the Group.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

18. Investments in associates

NZ IAS 28.37(a)

Details of the Group's associates at 31 December are as follows:

Name of associate	Place of incorporation and operation	Principal activity	Published fair value		Ownership interests and voting rights	
			2009 NZ\$'000	2008 NZ\$'000	2009 %	2008 %
Green Dot Australia Limited (i)	Australia	Transport	2,231	2,079	35	35
Green Dot Logistics Limited (ii)	New Zealand	Logistics	-	-	17	17
Green Dot Loans Limited	New Zealand	Finance	-	-	40	40
Green Dot Germany Limited (iii)	Germany	Transport	-	-	35	35

(i) Pursuant to a shareholder agreement, the Company has the right to cast 37% of the votes at shareholder meetings of Green Dot Australia Limited.

NZ IAS 28.37(c)

(ii) Although the Group holds less than 20% of the equity shares of Green Dot Logistics Limited, and it has less than 20% of the voting power in shareholder meetings, the Group exercises significant influence by virtue of its contractual right to appoint two directors to the board of directors of that company.

NZ IAS 28.37(e)

(iii) The reporting date of Green Dot Germany Limited is 31 October. For the purpose of applying the equity method of accounting, the financial statements of Green Dot Germany Limited for the year ended 31 October 2009 (2008: 31 October 2008) have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2009 (2008: 31 December 2008).

NZ IAS 28.37(b)

Summarised financial information in respect of the Group's associates is set out below:

	Group	
	2009 NZ\$'000	2008 NZ\$'000
Statement of financial position		
Total assets	42,932	38,178
Total liabilities	(14,848)	(12,218)
Net assets	28,084	25,960
Group's share of net assets of associates	8,455	7,269
[Income statement/statement of comprehensive income]		
Total revenue	12,054	11,904
Total profit for the period	3,953	5,479
Group's share of profits of associates	1,186	1,589

NZ IAS 28.37(b)

NZ IAS 28.37(b)

NZ IAS 28.37(b)

NZ IAS 28.37(b)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

18. Investments in associates (continued)

NZ IAS 28.NZ 37.1(a)

Movement in the carrying amount of the Group's investments in associates:

NZ IAS 28.NZ 37.1(a)

Balance at 1 January

NZ IAS 28.NZ 37.1(a)

New investments

NZ IAS 28.NZ 37.1(a)

Disposals

NZ IAS 28.NZ 37.1(a)

Share of profits of associates

NZ IAS 28.NZ 37.1(a)

Share of other comprehensive income of associates

NZ IAS 28.NZ 37.1(a)

Share of dividends

NZ IAS 28.NZ 37.1(a)

Other movements [describe]

NZ IAS 28.NZ 37.1(a)

Balance at 31 December

NZ IAS 28.NZ 37.1(b)

Goodwill included in the carrying amount of the Group's investments in associates: Balance at 1 January and 31 December

Group	
2009 NZ\$'000	2008 NZ\$'000
7,269	5,680
-	-
-	-
1,186	1,589
-	-
-	-
-	-
8,455	7,269
600	600

NZ IAS 28.40(a)

The Group's share of the contingent liabilities and contingent assets of associates (if any) are disclosed in note 48.
The Group's share of capital commitments of associates (if any) are disclosed in note 47.

19. Joint ventures

NZ IAS 31.56

The Group has the following significant interests in joint ventures:

- a 25 % share in the ownership of a property located in Central District, Bigtown. The Group is entitled to a proportionate share of the rental income received and bears a proportionate share of the outgoings; and
- a 33.5 % equity shareholding with equivalent voting power in Electronics JV Limited, a joint venture established in the United Kingdom.

NZ IAS 31.56

The following amounts are included in the Group financial statements as a result of the proportionate consolidation of Electronics JV Limited:

NZ IAS 31.56

Statement of financial position

NZ IAS 31.56

Current assets

NZ IAS 31.56

Non-current assets

NZ IAS 31.56

Current liabilities

NZ IAS 31.56

Non-current liabilities

Group		
2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
1,800	1,850	1,900
8,993	9,854	9,015
936	785	850
5,858	5,521	5,350

NZ IAS 31.56

Income

NZ IAS 31.56

Expenses

Group's share of jointly controlled profit and loss

Group	
2009 NZ\$'000	2008 NZ\$'000
2,124	2,005
1,787	1,763
251	197

NZ IAS 31.54,55

The Group's share of the contingent liabilities and contingent assets of joint ventures (if any) is disclosed in note 48. The Group's share of capital commitments of joint ventures (if any) is disclosed in note 47.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

20. Acquisition of subsidiaries

20.1. Subsidiaries acquired

NZ IFRS 3.67(a)-(d)	Name	Principal activity	Date of acquisition	Proportion of shares acquired	Cost of acquisition
				%	NZ\$'000
2009					
	Green Dot Finance Limited	Financial operations	15/07/09	100	430
	Green Dot Distributions Limited	Distribution	30/11/09	100	792
					1,222
2008					
	[describe]			-	-
					-

NZ IFRS 3.67(d),(f)

20.2. Analysis of assets and liabilities acquired

NZ IFRS 3.67(f)
NZ IAS 7.40(d)

Financial information in respect of the net assets acquired on acquisition of Green Dot Finance Limited and Green Dot Distributions Limited is set out below:

	Green Dot Finance Limited			Green Dot Distributions Limited			Total Fair value on acquisition
	Book value	Fair value adjustment	Fair value on acquisition	Book value	Fair value adjustment	Fair value on acquisition	
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	
Current assets:							
NZ IFRS 3.67(f)	Cash and bank balances	200	-	200	-	-	200
NZ IFRS 3.67(f)	Trade and other receivables	87	-	87	107	-	194
NZ IFRS 3.67(f)	Inventories	-	-	-	62	(5)	57
Non-current assets:							
NZ IFRS 3.67(f)	In-process research and development (note 28)	-	-	-	-	-	-
NZ IFRS 3.67(f)	Plant and equipment (note 25)	50	35	85	312	57	454
Current liabilities:							
NZ IFRS 3.67(f)	Trade and other payables	(23)	-	(23)	(35)	-	(58)
Non-current liabilities:							
NZ IFRS 3.67(f)	Deferred tax liabilities	(2)	3	1	-	(16)	(15)
NZ IFRS 3.50,67(f)	Contingent liabilities (note 33)	-	(45)	(45)	-	-	(45)
		312	(7)	305	446	36	482
	Goodwill on acquisition (note 27)	-	117	117	-	318	318
		312	110	422	446	354	800
							1,222

20.3. Fair values determined on a provisional basis

NZ IFRS 3.69

The initial accounting for the acquisition of Green Dot Finance Limited has only been provisionally determined at 31 December. At the date of finalisation of these financial statements, the necessary market valuations and other calculations had not been finalised and the adjustments to deferred tax liabilities and goodwill noted above have therefore only been provisionally determined based on the directors' best estimate of the likely fair value.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

20. Acquisition of subsidiaries (continued)

20.4. Cost of acquisition

NZ IAS 7.40(b)

The cost of acquisition of Green Dot Finance Limited was paid in cash. The costs of acquisition of Green Dot Distributions Limited comprised cash of \$0.4 million and land and buildings with an aggregate fair value of \$0.4 million.

20.5. Net cash outflow on acquisition

NZ IAS 7.40(a)

Total purchase consideration
Less: non-cash consideration for Green Dot Distributions Limited

NZ IAS 7.40(b)
NZ IAS 7.40(c)

Consideration paid in cash
Less: cash and bank balances acquired

	Group	
	2009 NZ\$'000	2008 NZ\$'000
Total purchase consideration	1,222	-
Less: non-cash consideration for Green Dot Distributions Limited	(400)	-
Consideration paid in cash	822	-
Less: cash and bank balances acquired	(200)	-
	622	-

20.6. Goodwill arising on acquisition

NZ IFRS 3.67(h)

Goodwill arose in the acquisition of Green Dot Finance Limited because the cost included a control premium paid. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Green Dot Finance Limited. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured and they do not meet the definition of identifiable intangible assets.

20.7. Impact of acquisition on the results of the Group

NZ IFRS 3.67(i)

Included in the Group profit for the year is \$35,000 attributable to the additional business generated by Green Dot Finance Limited, and \$13,000 attributable to the purchase of Green Dot Distributions Limited.

NZ IFRS 3.70

Had these business combinations been effected at 1 January 2009, the revenue of the Group from continuing operations would have been \$163.5 million, and the profit for the year from continuing operations would have been \$20.1 million. The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Group had Green Dot Finance Limited and Green Dot Distributions Limited been acquired at the beginning of the current reporting period, the directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;
- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination; and
- excluded takeover defence costs of the acquiree as a one-off pre-acquisition transaction.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

21. Disposal of business

During the year, the Group disposed of its toy manufacturing operations. Details of the disposal are as follows:

NZ IAS 7.40(d)

21.1. Book value of net assets sold

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Current assets				
Cash and bank balances	288	-	-	-
Trade receivables	1,034	-	-	-
Inventories	2,716	-	-	-
Non-current assets				
Property, plant and equipment	5,662	-	-	-
Goodwill (note 27)	3,080	-	-	-
Current liabilities				
Payables	(918)	-	-	-
Non-current liabilities				
Borrowings	(4,338)	-	-	-
Deferred tax liabilities	(530)	-	-	-
Net assets disposed of	6,994	-	-	-
Minority interest	-	-	-	-
Gain on disposal	1,820	-	-	-
	8,814	-	-	-
21.2. Consideration				
Consideration paid in cash and cash equivalents	7,854	-	-	-
Deferred sales proceeds (note 14)	960	-	-	-
	8,814	-	-	-
21.3. Net cash inflow on disposal				
Consideration received in cash and cash equivalents	7,854	-	-	-
Less: cash and cash equivalent balances disposed of	(288)	-	-	-
	7,566	-	-	-

NZ IAS 7.40(b)

NZ IAS 7.40(a)

NZ IAS 7.40(b)

NZ IAS 7.40(c)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

22. Inventories

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
NZ IAS 2.36(b) Raw materials at cost	9,972	10,332	10,131	42	44	28
NZ IAS 2.36(b) Work in progress at cost	4,490	4,354	4,116	36	46	28
NZ IAS 2.36(b) Finished goods at cost	17,600	15,348	15,830	142	150	102
NZ IAS 2.36(b) Finished goods at net realisable value	132	208	1,582	-	-	-
	32,194	30,242	31,659	220	240	158
NZ IAS 2.36(c) Classified as part of a disposal group held for sale (note 24.2)	(830)	-	-	-	-	-
NZ IAS 2.36(b)	31,364	30,242	31,659	220	240	158

NZ IAS 2.36(d)

The cost of inventories recognised as an expense during the year, in respect of both continuing and discontinued operations, was \$127.4 million (2008: \$139.9 million) (Company: \$2.4 million (2008: \$2.3 million)).

NZ IAS 2.36(e),(f),(g)

The cost of inventories recognised as an expense includes \$2.3 million (2008: \$1.9 million) (Company: \$nil (2008: \$nil)) in respect of write-downs of inventory to net realisable value, and has been reduced by \$0.5 million (2008: \$0.4 million) (Company: \$nil (2008: \$nil)) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales prices in certain markets.

NZ IAS 1.77

23. Other Assets

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Current						
Prepayments	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-
	-	-	-	-	-	-
Non-current						
Prepayments	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-
	-	-	-	-	-	-



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

24. Assets classified as held for sale

	Group		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Land held for sale (note 24.1)	1,260	-	-
Assets related to bicycle business (note 24.2)	21,076	-	-
	22,336	-	-
Liabilities associated with bicycle business assets held for sale (note 24.2)	3,684	-	-
Equity relating to assets classified as held for sale	-	-	-

24.1. Land held for sale

NZ IFRS 5.38,41(a),(b)

The Group intends to dispose of a parcel of land it no longer utilises in the next 10 months. The property was previously used in the Group's toy manufacturing operations. A search is underway for a buyer. No impairment loss was recognised on reclassification of the land as held for sale at 31 December.

24.2. Bicycle business

NZ IFRS 5.38,41(a),(b)

As described in note 10.2, the Group is seeking to dispose of its bicycle business and anticipates that the disposal will be completed by 31 July 2010. The major classes of assets and liabilities comprising the operations classified as held for sale at 31 December are as follows:

	Group	
	2009 NZ\$'000	2008 NZ\$'000
Goodwill (note 27)	1,147	-
Property, plant and equipment (note 25)	15,684	-
Inventories (note 22)	830	-
Trade receivables (note 14.1)	1,980	-
Cash and cash equivalents (note 13)	1,435	-
Assets of bicycle business classified as held for sale	21,076	-
Trade payables (note 29)	(3,254)	-
Current tax liabilities	-	-
Deferred tax liabilities (note 9.4)	(430)	-
Liabilities of bicycle business associated with assets classified as held for sale	(3,684)	-
Net assets of bicycle business classified as held for sale	17,392	-
Amounts recognised directly in equity relating to assets classified as held for sale:		
Properties revaluation reserve	-	-

NZ IFRS 5.38



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

25. Property, plant and equipment

NZ IAS 16.73(a)

	Freehold land at fair value	Buildings at fair value	Leasehold improve- ments at cost	Plant and equipment at cost	Equipment under finance lease at cost	Construction in progress at cost	Total
Group	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Cost or valuation							
NZ IAS 16.73(d) 1 January 2008	14,750	13,668	306	156,534	630	-	185,888
NZ IAS 16.73(e),74(b) Additions	-	1,205	-	10,657	40	-	11,902
NZ IAS 16.73(e) Disposals	-	-	-	(27,286)	-	-	(27,286)
NZ IAS 16.73(e) Acquisitions through business combinations (note 20.2)	-	-	-	-	-	-	-
NZ IAS 16.73(e) Reclassified as held for sale (note 24)	-	-	-	-	-	-	-
NZ IAS 16.73(e),77(f) Revaluation increase (note 38.2)	845	798	-	-	-	-	1,643
NZ IAS 16.73(e) Net foreign currency exchange differences	-	-	-	-	-	-	-
NZ IAS 16.73(e) Other [describe]	-	-	-	-	-	-	-
1 January 2009							
NZ IAS 16.73(d) 1 January 2009	15,595	15,671	306	139,905	670	-	172,147
NZ IAS 16.73(e),74(b) Additions	-	-	-	22,883	-	100	22,983
NZ IAS 16.73(e) Disposals	(1,530)	(1,184)	(16)	(19,147)	(624)	-	(22,501)
NZ IAS 16.73(e) Acquisitions through business combinations (note 20.2)	-	-	-	454	-	-	454
NZ IAS 16.73(e) Reclassified as held for sale (note 24)	(1,260)	(1,357)	-	(20,785)	-	-	(23,402)
NZ IAS 16.73(e),77(f) Revaluation increase (note 38.2)	-	-	-	-	-	-	-
NZ IAS 16.73(e) Net foreign currency exchange differences	-	-	-	-	-	-	-
NZ IAS 16.73(e) Other [describe]	-	-	-	-	-	-	-
31 December 2009							
NZ IAS 16.73(d) 31 December 2009	12,805	13,130	290	123,310	46	100	149,681
Accumulated depreciation and impairment							
NZ IAS 16.73(d) 1 January 2008	-	(1,525)	(30)	(25,019)	(378)	-	(26,952)
NZ IAS 16.73(e) Disposals	-	-	-	5,058	-	-	5,058
NZ IAS 16.73(e),77(f) Revaluation (note 38.2)	-	2	-	-	-	-	2
NZ IAS 16.73(e) Reclassified as held for sale (note 24)	-	-	-	-	-	-	-
NZ IAS 16.73(e) Impairment losses charged to profit or loss (note 11.2)	-	-	-	-	-	-	-
NZ IAS 16.73(e) Reversals of impairment losses charged to profit or loss	-	-	-	-	-	-	-
NZ IAS 16.73(e) Depreciation expense (note 11.3)	-	(892)	(55)	(14,717)	(130)	-	(15,794)
NZ IAS 16.73(e) Net foreign currency exchange differences	-	-	-	-	-	-	-
NZ IAS 16.73(e) Other [describe]	-	-	-	-	-	-	-



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

25. Property, plant and equipment (continued)

NZ IAS 16.73(a)

	Freehold land at fair value	Buildings at fair value	Leasehold improve- ments at cost	Plant and equipment at cost	Equipment under finance lease at cost	Construction in progress at cost	Total
Group (continued)	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
1 January 2009	-	(2,415)	(85)	(34,678)	(508)	-	(37,686)
Disposals	-	102	4	5,967	500	-	6,573
Revaluation (note 38.2)	-	-	-	-	-	-	-
Reclassified as held for sale (note 24)	-	153	-	6,305	-	-	6,458
Impairment losses charged to profit or loss (note 11.2)	-	-	-	(1,204)	-	-	(1,204)
Reversals of impairment losses charged to profit or loss	-	-	-	-	-	-	-
Depreciation expense (note 11.3)	-	(721)	(53)	(11,803)	(10)	-	(12,587)
Net foreign currency exchange differences	-	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-	-
31 December 2009	-	(2,881)	(134)	(35,413)	(18)	-	(38,446)
Carrying amount							
As at 1 January 2008	14,750	12,143	276	131,515	252	-	158,936
As at 31 December 2008	15,595	13,256	221	105,227	162	-	134,461
As at 31 December 2009	12,805	10,249	156	87,897	28	100	111,235

Total property, plant and equipment held by the Group at 31 December amounted to \$128.2 million (2008: \$134.5 million), comprising the amounts analysed above (2009: \$111.2 million; 2008: \$134.5 million) and assets classified as held for sale (2009: \$16.9 million; 2008: \$nil) (note 24).

NZ IAS 17.31(a)

The carrying amount of finance leased equipment at 31 December is \$28,000 (2008: \$162,000).

NZ IAS 7.43

Disposals by the Group during the period included land and buildings of \$0.4 million as non-cash consideration for the acquisition of Green Dot Distributions Limited (note 20.4).

NZ IAS 16.73(a)

	Freehold land at fair value	Buildings at fair value	Leasehold improve- ments at cost	Plant and equipment at cost	Equipment under finance lease at cost	Construction in progress at cost	Total
Company	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Cost or valuation							
1 January 2008	44	85	-	567	-	-	696
Additions	-	-	-	28	-	-	28
Disposals	-	-	-	(117)	-	-	(117)
Acquisitions through business combinations (note 20.2)	-	-	-	-	-	-	-
Reclassified as held for sale (note 24)	-	-	-	-	-	-	-
Revaluation increase (note 38.2)	1	1	-	-	-	-	2
Net foreign currency exchange differences	-	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-	-



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

25. Property, plant and equipment (continued)

NZ IAS 16.73(a)

	Freehold land at fair value	Buildings at fair value	Leasehold improve- ments at cost	Plant and equipment at cost	Equipment under finance lease at cost	Construction in progress at cost	Total
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Company (continued)							
1 January 2009	45	86	-	478	-	-	609
Additions	5	20	-	30	-	-	55
Disposals	(10)	(20)	-	(14)	-	-	(44)
Acquisitions through business combinations (note 20.2)	-	-	-	-	-	-	-
Reclassified as held for sale (note 24)	-	-	-	-	-	-	-
Revaluation increase (note 38.2)	-	-	-	-	-	-	-
Net foreign currency exchange differences	-	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-	-
31 December 2009	40	86	-	494	-	-	620
Accumulated depreciation and impairment							
1 January 2008	-	(7)	-	(52)	-	-	(59)
Disposals	-	-	-	-	-	-	-
Revaluation (note 38.2)	-	-	-	-	-	-	-
Reclassified as held for sale (note 24)	-	-	-	-	-	-	-
Impairment losses charged to profit or loss (note 11.2)	-	-	-	-	-	-	-
Reversals of impairment losses charged to profit or loss	-	-	-	-	-	-	-
Depreciation expense (note 11.3)	-	(7)	-	(38)	-	-	(45)
Net foreign currency exchange differences	-	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-	-
1 January 2009	-	(14)	-	(90)	-	-	(104)
Disposals	-	1	-	7	-	-	8
Revaluation (note 38.2)	-	-	-	-	-	-	-
Reclassified as held for sale (note 24)	-	-	-	-	-	-	-
Impairment losses charged to profit or loss (note 11.2)	-	-	-	-	-	-	-
Reversals of impairment losses charged to profit or loss	-	-	-	-	-	-	-
Depreciation expense (note 11.3)	-	(8)	-	(40)	-	-	(48)
Net foreign currency exchange differences	-	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-	-
31 December 2009	-	(21)	-	(123)	-	-	(144)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

25. Property, plant and equipment (continued)

NZ IAS 16.73(a)

	Freehold land at fair value	Buildings at fair value	Leasehold improve- ments at cost	Plant and equipment at cost	Equipment under finance lease at cost	Construction in progress at cost	Total
Company (continued)	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Carrying amount							
As at 1 January 2008	44	78	-	515	-	-	637
As at 30 December 2008	45	72	-	388	-	-	505
As at 31 December 2009	40	65	-	371	-	-	476

NZ IAS 16.73(e)

NZ IAS 16.73(e)

NZ IAS 16.73(e)

NZ IAS 17.31(a)

The carrying amount of finance leased equipment at 31 December is \$nil (2008: \$nil).

NZ IAS 36.130(a)-(c),(e),(g)

During the year, the Group carried out a review of the recoverable amount of its manufacturing plant and equipment, having regard to its ongoing programme of modernisation and the introduction of new product lines. These assets are used in the Group's electronics reportable segments. The review led to the recognition of an impairment loss of \$1.1 million (2008: \$nil) (Company: \$nil (2008: \$nil)), which has been recognised in profit or loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use was 9% per annum. The discount rate used when the recoverable amount of these assets was previously estimated in 2008 was 8% per annum.

NZ IAS 36.131

Additional impairment losses recognised in respect of property, plant and equipment in the year amounted to \$114,000 (2008: \$nil) (Company: \$nil (2008: \$nil)). These losses are attributable to greater than anticipated wear and tear.

NZ IAS 36.126(a)

The impairment losses have been included in the line item [impairment of non-financial assets/cost of sales] in the [statement of comprehensive income /income statement].

NZ IAS 16.73(c)

The following useful lives are used in the calculation of depreciation:

Buildings	20 – 30 years
Leasehold improvements	5 – 7 years
Plant and equipment	5 – 15 years
Equipment under finance lease	5 years

25.1. Freehold land and buildings carried at fair value

NZ IAS 16.77(a)-(d)
NZ IAS 16.
NZ 77.2 (a),(b),(e)

An independent valuation of the Group's land and buildings was performed by Messrs R & P Trent, independent registered valuers, to determine the fair value of the land and buildings. Messrs R & P Trent are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to the New Zealand Professional Practice Manual 2006, including International Valuation Standard ('IVS') 3 'Valuation Reporting', International Valuation Application ('IVA') 1 'Valuation for Financial Reporting', and NZ Valuation Guidance Note ('NZVGN') 1 'Valuations for Use in New Zealand Financial Reports', was determined by reference to market evidence of transaction prices for similar properties. Under IVS 3, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date.

Accordingly, the valuation date is the date of inspection. The valuers considered the use of the valuation (inspection date of 23 December 2009) for financial reporting at 31 December 2009, and consider it unlikely to have moved materially between 23 December 2009 and 31 December 2009 (2008: the date of inspection and hence valuation was 31 December 2008).

NZ IAS 16.77(e)

Had the Group's land and buildings (other than land and buildings classified as held for sale or included in a disposal group) been measured on a historical cost basis, their carrying amount would have been as follows:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Freehold land	11,957	14,750	29	31
Buildings	9,455	12,460	58	61



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

25. Property, plant and equipment (continued)

25.2. Assets pledged as security

NZ IAS 16.74(a)

Freehold land and buildings with a carrying amount of \$23.1 million (2008: \$28.9 million) (Company: \$nil (2008: \$nil)) have been pledged as security for bank loans under a mortgage (note 30.1(vii)). The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

In addition, the Group's obligations under finance leases (note 30.3) are secured by the lessors' title to the leased assets, which have a carrying amount of \$28,000 (2008: \$162,000) (Company: \$nil (2008: \$nil)).

26. Investment property

NZ IAS 40.76

NZ IAS 40.76(a)

NZ IAS 40.76(b)

NZ IAS 40.76(a)

NZ IAS 40.76(g)

NZ IAS 40.76(c)

NZ IAS 40.76(d)

NZ IAS 40.76(e)

NZ IAS 40.76(f)

NZ IAS 40.76(g)

NZ IAS 40.76

At fair value

Balance at 1 January

Additions through subsequent expenditure

Acquisitions through business combinations

Other acquisitions

Disposals

Property reclassified as held for sale

Net (loss)/gain from fair value adjustments (note 7)

Net foreign currency exchange differences

Transfers

Other [describe]

Balance at 31 December

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at 1 January	132	112	-	-
Additions through subsequent expenditure	10	12	-	-
Acquisitions through business combinations	-	-	-	-
Other acquisitions	-	-	-	-
Disposals	-	-	-	-
Property reclassified as held for sale	-	-	-	-
Net (loss)/gain from fair value adjustments (note 7)	(6)	8	-	-
Net foreign currency exchange differences	-	-	-	-
Transfers	-	-	-	-
Other [describe]	-	-	-	-
Balance at 31 December	136	132	-	-

NZ IAS 40.75(d),(e),
NZ 33.1(a), NZ 75.1

The fair value of the Group's investment property at 31 December 2009 has been arrived at on the basis of a valuation carried out at that date by Messrs R & P Trent, independent registered valuers. Messrs R & P Trent are members of the Property Institute of New Zealand, and have the appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation conforms to the New Zealand Professional Practice Manual 2006, including IVS 3 'Valuation Reporting', IVA 1 'Valuation for Financial Reporting', and VGN 1 'Valuations for Use in New Zealand Financial Reports'.

Where available, the valuation was arrived at by reference to the market evidence of transaction prices for similar properties.

Where there was lack of comparable market data for similar properties, the fair value of those investment properties has been determined by using a valuation model which is discounted cash flow projections based on reliable estimates of future cash flows and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The following assumptions and inputs were used in the valuation model:

	2009	2008
Average lease term	10 years	10 years
Capitalisation rate	7%	8%
Occupancy rate	80%	83%
Long term growth rate	5%	4.5%

All of the Group's investment property is held under freehold interests.

COMMENTARY

NZ IAS 40.75(g)

If applicable, an entity shall disclose the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

27. Goodwill

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Cost				
Balance at 1 January	24,060	24,060	-	-
Additional amounts recognised from business combinations occurring during the year (note 20.2)	435	-	-	-
Reduction arising from realisation of deferred tax assets not previously recognised	-	-	-	-
Derecognised on disposal of a subsidiary (note 21.1)	(3,080)	-	-	-
Reclassified as held for sale (note 24.2)	(1,147)	-	-	-
Effects of foreign currency exchange differences	-	-	-	-
Other [describe]	-	-	-	-
Balance at 31 December	20,268	24,060	-	-
Accumulated impairment losses				
Balance at 1 January	-	-	-	-
Impairment losses charged to profit or loss (note 11.2)	(15)	-	-	-
Reversal of impairment losses	-	-	-	-
Derecognised on disposal of a subsidiary	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-
Balance at 31 December	(15)	-	-	-
Carrying amount				
As at 1 January	24,060	24,060	-	-
As at 31 December	20,253	24,060	-	-

Total goodwill held by the Group at 31 December amounted to \$21.4 million (2008: \$24.1 million), comprising the amounts analysed above (2009: \$20.3 million; 2008: \$24.1 million) and goodwill classified as held for sale (2009: \$1.1 million; 2008: \$nil) (note 24.2).

27.1. Annual test for impairment

NZ IFRS 3.76
NZ IAS 36.126(a), 131(a)

During the year, the Group assessed the recoverable amount of goodwill, and determined that goodwill associated with the Group's Murphy construction operations was impaired by \$15,000 (2008: \$nil) (note 11.2). No write-down of the carrying amounts of other assets in the cash-generating unit was necessary.

The recoverable amount of the relevant cash-generating unit was assessed by reference to value in use. A discount factor of 10% per annum (2008: 9.5% per annum) was applied in the value in use model.

NZ IAS 36.131

The factors contributing to the impairment are set out at note 27.2 below.

NZ IAS 36.126(a)

The impairment losses have been recognised in the line item [impairment of non-current assets/cost of sales] in the [statement of comprehensive income/income statement].

COMMENTARY

NZ IAS 36.130

An entity shall disclose the following for each material impairment loss recognised or reversed during the period for an individual asset, including goodwill, or a cash-generating unit:

NZ IAS 36.130(a)

(a) the events and circumstances that led to the recognition or reversal of the impairment loss;

NZ IAS 36.130(b)

(b) the amount of the impairment loss recognised or reversed;



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

27. Goodwill (continued)

27.1. Annual test for impairment (continued)

COMMENTARY

NZ IAS 36.130(c)

(c) for an individual asset:

(i) the nature of the asset; and

(ii) if the entity reports segment information in accordance with NZ IFRS 8, the reportable segment to which the asset belongs.

NZ IAS 36.130(d)

(d) for a cash-generating unit:

(i) a description of the cash-generating unit (such as whether it is a product line, a plant, a business operation, a geographical area, or a reportable segment as defined in NZ IFRS 8);

(ii) the amount of the impairment loss recognised or reversed by class of assets and, if the entity reports segment information in accordance with NZ IFRS 8, by reportable segment; and

(iii) if the aggregation of assets for identifying the cash-generating unit has changed since the previous estimate of the cash-generating unit's recoverable amount (if any), a description of the current and former way of aggregating assets and the reasons for changing the way the cash-generating unit is identified.

NZ IAS 36.130(e)

(e) whether the recoverable amount of the asset (cash-generating unit) is its fair value less costs to sell or its value in use;

NZ IAS 36.130(f)

(f) if recoverable amount is fair value less costs to sell, the basis used to determine fair value less costs to sell (such as whether fair value was determined by reference to an active market); and

NZ IAS 36.130(g)

(g) if recoverable amount is value in use, the discount rate(s) used in the current estimate and previous estimate (if any) of value in use.

NZ IAS 36.131

An entity shall disclose the following information for the aggregate impairment losses and the aggregate reversals of impairment losses recognised during the period for which no information is disclosed in accordance with paragraph 130:

NZ IAS 36.131(a)

(a) the main classes of assets affected by impairment losses and the main classes of assets affected by reversals of impairment losses; and

NZ IAS 36.131(b)

(b) the main events and circumstances that led to the recognition of these impairment losses and reversals of impairment losses.

NZ IAS 36.134,135

27.2. Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- Leisure goods – retail outlets;
- Electronics – internet sales;
- Toys - wholesalers (disposed of in 2009) (previously included in the 'Leisure goods - Wholesaler' segment);
- Construction operations – Murphy Construction (included in the 'other' segment for segment reporting purposes);
- Construction operations – other (included in the 'other' segment for segment reporting purposes);
- Bicycle operations - wholesalers (classified as held for sale at 31 December 2009) (previously included in the 'Leisure goods - Wholesaler' segment);
- Financial operations (Green Dot Finance Limited - acquired in 2009) (included in the 'other' segment for segment reporting purposes); and
- Distribution operations (Green Dot Distributors Limited – acquired in 2009) (included in the 'other' segment for segment reporting purposes).

NZ IAS 36.134(a)

Before recognition of impairment losses, the carrying amount of goodwill (other than goodwill classified as held for sale) was allocated to the following cash-generating units:



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

27. Goodwill (continued)

27.2. Allocation of goodwill to cash-generating units (continued)

	Group	
	2009 NZ\$'000	2008 NZ\$'000
Leisure goods – retail outlets	9,840	9,840
Electronics – internet sales	8,478	8,478
Toys - wholesalers	-	3,080
Construction operations – Murphy Construction	15	15
Construction operations - other	1,500	1,500
Bicycle operations - wholesalers	-	1,147
Financial operations	139	-
Distribution operations	296	-
	20,268	24,060

Leisure goods – retail outlets

NZ IAS 36.134(c),(d),(f)
NZ IAS 1.129(b)

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 10% per annum (2008: 9.5% per annum).

Cash flow projections during the budget period are based on the same expected gross margins during the budget period and the raw materials price inflation during the budget period. The cash flows beyond that five year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the international leisure goods market. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Electronics – internet sales

NZ IAS 36.134(c),(d),(f)
NZ IAS 1.129(b)

The recoverable amount of the 'electronics – internet sales' segment and cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 10% per annum (2008: 9.5% per annum). Cash flows beyond that five year period have been extrapolated using a steady 11% per annum growth rate. This growth rate exceeds by 0.5 percentage points the long-term average growth rate for the international electronics market. However, among other factors, the internet sales cash-generating unit benefits from the protection of a 20-year patent on the Series Z electronics, granted in 2002, which is still acknowledged as being one of the top models in the market. The directors believe that an 11% per annum growth rate is reasonable in the light of that patent, and of other products being developed, and their intention to focus the Group's operations in this market. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the 'electronics – internet sales' carrying amount to exceed its recoverable amount.

Construction operations – Murphy Construction

The goodwill associated with Murphy Construction arose when that business was acquired by the Group in 2006. The business has continued to operate on a satisfactory basis, but without achieving any significant increase in market share. During the year, the government of New Zealand introduced new regulations requiring registration and certification of builders for government contracts. In the light of the disappointing performance of Murphy Construction since its acquisition, and the decision to focus the Group's construction activities through the other operating units in Green Dot Construction Limited, the directors have decided not to register Murphy Construction for this purpose, which means that it has no prospects of obtaining future contracts. The directors have consequently determined to write-off the goodwill directly related to Murphy Construction. No other write-down of the assets of Murphy Construction is considered necessary. Contracts in progress at the year-end will be completed without loss to the Group.

The amount of the write down is set out in note 27.1 above.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

27. Goodwill (continued)

27.2. Allocation of goodwill to cash-generating units (continued)

Construction operations – other

NZ IAS 36.134(c),(d),(f)
NZ IAS 1.129(b)

The recoverable amount of the Group's remaining construction operations has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 10% per annum (2008: 9.5% per annum). Cash flows beyond that five year period have been extrapolated using a steady 8% per annum growth rate. This growth rate does not exceed the long-term average growth rate for the construction market in New Zealand. The directors believe that any reasonably possible further change in the key assumptions on which recoverable amount is based would not cause the construction operations carrying amount to exceed its recoverable amount.

NZ IAS 36.134(d)

Key assumptions

The key assumptions used in the value in use calculations for the leisure goods and electronics cash-generating units are as follows:

Budgeted market share

Average market share in the period immediately before the budget period, plus a growth of 1-2% of market share per year. The values assigned to the assumption reflect past experience, except for the growth factor, which is consistent with the directors' plans for focusing operations in these markets. The directors believe that the planned market share growth per year for the next five years is reasonably achievable.

Budgeted gross margin

Average gross margins achieved in the period immediately before the budget period, increased for expected efficiency improvements. This reflects past experience, except for efficiency improvements. The directors expect efficiency improvements of 3-5% per year to be reasonably achievable.

Raw materials price inflation

Forecast consumer price indices during the budget period for the countries from which raw materials are purchased. The values assigned to the key assumption are consistent with external sources of information.

NZ IAS 36.134

COMMENTARY

An entity shall disclose the information required by (a)-(f) below for each cash-generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives:

NZ IAS 36.134(a)

(a) *the carrying amount of goodwill allocated to the unit (group of units);*

NZ IAS 36.134(b)

(b) *the carrying amount of intangible assets with indefinite useful lives allocated to the unit (group of units);*

NZ IAS 36.134(c)

(c) *the basis on which the unit's (group of units') recoverable amount has been determined (i.e. value in use or fair value less costs to sell);*

NZ IAS 36.134(d)

(d) *if the unit's (group of units') recoverable amount is based on value in use:*

(i) a description of each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts. Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive;

(ii) a description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information;

(iii) the period over which management has projected cash flows based on financial budgets/forecasts approved by management and, when a period greater than five years is used for a cash-generating unit (group of units), an explanation of why that longer period is justified;



**Notes to the financial statements
for the year ended 31 December 2009**

27. Goodwill (continued)

27.2. Allocation of goodwill to cash-generating units (continued)

COMMENTARY

NZ IAS 36.134(e)

(iv) the growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts, and the justification for using any growth rate that exceeds the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated; and

(v) the discount rate(s) applied to the cash flow projections.

(e) if the unit's (group of units') recoverable amount is based on fair value less costs to sell, the methodology used to determine fair value less costs to sell. If fair value less costs to sell is not determined using an observable market price for the unit (group of units), the following information shall also be disclosed:

(i) a description of each key assumption on which management has based its determination of fair value less costs to sell. Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive; and

(ii) a description of management's approach to determining the value (or values) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

If fair value less costs to sell is determined using discounted cash flow projections, the following information shall also be disclosed:

(iii) the period over which management has projected cash flows;

(iv) the growth rate used to extrapolate cash flow projections; and

(v) the discount rate(s) applied to the cash flow projections.

NZ IAS 36.134(f)

(f) if a reasonably possible change in a key assumption on which management has based its determination of the unit's (group of units') recoverable amount would cause the unit's (group of units') carrying amount to exceed its recoverable amount:

(i) the amount by which the unit's (group of units') recoverable amount exceeds its carrying amount;

(ii) the value assigned to the key assumption; and

(iii) the amount by which the value assigned to the key assumption must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's (group of units') recoverable amount to be equal to its carrying amount.

NZ IAS 36.135

If some or all of the carrying amount of goodwill or intangible assets with indefinite useful lives is allocated across multiple cash-generating units (groups of units), and the amount so allocated to each unit (group of units) is not significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives, that fact shall be disclosed, together with the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to those units (groups of units). In addition, if the recoverable amounts of any of those units (groups of units) are based on the same key assumption(s) and the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to them is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives, an entity shall disclose that fact, together with:

NZ IAS 36.135(a)

(a) the aggregate carrying amount of goodwill allocated to those units (groups of units);

NZ IAS 36.135(b)

(b) the aggregate carrying amount of intangible assets with indefinite useful lives allocated to those units (groups of units);

NZ IAS 36.135(c)

(c) a description of the key assumption(s);

NZ IAS 36.135(d)

(d) a description of management's approach to determining the value(s) assigned to the key assumption(s), whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information; and



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

27. Goodwill (continued)

27.2. Allocation of goodwill to cash-generating units (continued)

COMMENTARY

- (e) if a reasonably possible change in the key assumption(s) would cause the aggregate of the units' (groups of units') carrying amounts to exceed the aggregate of their recoverable amounts:
- (i) the amount by which the aggregate of the units' (groups of units') recoverable amounts exceeds the aggregate of their carrying amounts;
- (ii) the value(s) assigned to the key assumption(s); and
- (iii) the amount by which the value(s) assigned to the key assumption(s) must change, after incorporating any consequential effects of the change on the other variables used to measure recoverable amount, in order for the aggregate of the units' (groups of units') recoverable amounts to be equal to the aggregate of their carrying amounts.

NZ IAS 36.135(e)

28. Other intangible assets

NZ IAS 38.118(c)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(c)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(c)

NZ IAS 38.118(c)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 36.126(a),
NZ IAS 38.118(e)

NZ IAS 36.126(b),
NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(e)

NZ IAS 38.118(c)

Group	Software	Patents	Trademarks	Licences	Total
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Cost					
Balance at 1 January 2008	3,230	5,825	4,711	6,940	20,706
Additions from internal developments	358	-	-	-	358
Acquisitions through business combinations (note 20)	-	-	-	-	-
Other additions	-	-	-	-	-
Disposals or classified as held for sale	-	-	-	-	-
Net foreign currency exchange differences	-	-	-	-	-
Other [describe]	-	-	-	-	-
Balance at 1 January 2009	3,588	5,825	4,711	6,940	21,064
Additions from internal developments	6	-	-	-	6
Acquisitions through business combinations (note 20)	-	-	-	-	-
Other additions	-	-	-	-	-
Disposals or classified as held for sale	-	-	-	-	-
Net foreign currency exchange differences	-	-	-	-	-
Other [describe]	-	-	-	-	-
Balance at 31 December 2009	3,594	5,825	4,711	6,940	21,070
Accumulated amortisation and impairment					
Balance at 1 January 2008	(1,000)	(874)	(3,533)	(2,776)	(8,183)
Amortisation expense (note 11.3)	(682)	(291)	(236)	(347)	(1,556)
Disposals or classified as held for sale	-	-	-	-	-
Impairment losses charged to profit or loss (note 11.2)	-	-	-	-	-
Reversals of impairment losses charged to profit or loss	-	-	-	-	-
Net foreign currency exchange differences	-	-	-	-	-
Other [describe]	-	-	-	-	-
Balance at 1 January 2009	(1,682)	(1,165)	(3,769)	(3,123)	(9,739)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

28. Other intangible assets (continued)

Group (continued)	Software	Patents	Trademarks	Licences	Total
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
NZ IAS 38.118(e) Amortisation expense (note 11.3)	(718)	(291)	(236)	(347)	(1,592)
NZ IAS 38.118(e) Disposals or classified as held for sale	-	-	-	-	-
NZ IAS 36.126(a), NZ IAS 38.118(e) Impairment losses charged to profit or loss (note 11.2)	-	-	-	-	-
NZ IAS 36.126(b), NZ IAS 38.118(e) Reversals of impairment losses charged to profit or loss	-	-	-	-	-
NZ IAS 38.118(e) Net foreign currency exchange differences	-	-	-	-	-
NZ IAS 38.118(e) Other [describe]	-	-	-	-	-
NZ IAS 38.118(c) Balance at 31 December 2009	(2,400)	(1,456)	(4,005)	(3,470)	(11,331)
Carrying amount					
NZ IAS 38.118(e) As at 1 January 2008	2,230	4,951	1,178	4,164	12,523
NZ IAS 38.118(e) As at 31 December 2008	1,906	4,660	942	3,817	11,325
NZ IAS 38.118(e) As at 31 December 2009	1,194	4,369	706	3,470	9,739

NZ IAS 38.118(d)

[The amortisation expense has been included in the line item 'depreciation and amortisation expense' in the [statement of comprehensive income]]. [Of the amortisation charge for the year \$1.0 million (2008: \$1.0 million) has been included in marketing expenses and the remainder in other expenses in the [income statement]].

NZ IAS 36.126(a)

The impairment losses have been recognised in the line item [impairment of non-financial assets/other expenses] in the [statement of comprehensive income/income statement].

The Company did not hold any intangible assets during the current or comparative year.

NZ IAS 38.118(a)

The following useful lives are used in the calculation of amortisation:

Software	5 years
Patents	10 – 20 years
Trademarks	20 years
Licences	20 years

28.1. Significant intangible assets

NZ IAS 38.122(b)

The Group holds a patent for the manufacture of its Series Z electronics. The carrying amount of the patent of \$2.3 million (2008: \$2.4 million) will be fully amortised in 15 years (2008: 16 years).

29. Trade and other payables

NZ IFRS 2.51(b)

NZ IAS 11.42(b)

	Group			Company	
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	1 Jan 2008 NZ\$'000
Trade payables	16,276	21,128	16,741	2,798	4,118
Cash-settled share-based payments	-	-	-	-	-
Amounts due to customers under construction contracts (note 14.2)	36	15	20	-	-
Other [describe]	-	-	-	-	-
	16,312	21,143	16,761	2,798	4,118



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

29. Trade and other payables (continued)

Total trade payables for the Group at 31 December amounted to \$19.6 million (2008: \$21.1 million), comprising the amount presented above (2009: \$16.3 million; 2008: \$21.1 million) and trade payables associated with assets classified as held for sale (2009: \$3.3 million; 2008: \$nil) (note 24.2). There are no Company trade payables classified as held for sale (2008: \$nil).

NZ IFRS 7.7

The average credit period on purchases of certain goods from North America is 4 months. No interest is charged on the trade payables for the first 60 days from the date of the invoice. Thereafter, interest is charged at 2% per annum on the outstanding balance. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NZ IFRS 2.51(b)

At 31 December, the intrinsic value of vested cash-settled share-based payments for the Company and the Group is \$nil (2008: \$nil).

30. Borrowings

NZ IFRS 7.7

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Unsecured – at amortised cost						
<i>Current</i>						
Bills of exchange (i)	358	374	365	-	-	-
Loans from subsidiaries (ii)	-	-	-	16,006	19,924	18,007
Loans from other related parties (iii)	12,917	14,932	13,895	74	6,302	5,300
Loans from other entities (iv)	3,701	3,518	33,090	3,695	3,100	14,528
Redeemable cumulative preference shares (v)	-	-	-	-	-	-
Convertible notes (note 31)	-	-	-	-	-	-
Perpetual notes (vi)	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-
<i>Non-current</i>						
Bills of exchange (i)	-	542	866	-	-	-
Loans from subsidiaries (ii)	-	-	-	-	-	-
Loans from other related parties (iii)	-	19,192	17,000	-	-	-
Loans from other entities (iv)	575	649	23,233	-	-	-
Redeemable cumulative preference shares (v)	15,000	-	-	15,000	-	-
Convertible notes (note 31)	4,144	-	-	4,144	-	-
Perpetual notes (vi)	1,905	-	-	1,905	-	-
Other [describe]	-	-	-	-	-	-
Secured – at amortised cost						
<i>Current</i>						
Bank loans (vii)	4,000	6,344	5,400	2,000	2,500	2,200
Transferred receivables (viii) (note 14.3)	923	-	-	-	-	-
Finance lease liabilities (ix) (note 30.3.2)	9	54	-	-	-	-
Other [describe]	-	-	-	-	-	-
<i>Non-current</i>						
Bank loans (vii)	10,982	11,060	17,304	6,000	7,000	5,996
Transferred receivables (viii) (note 14.3)	-	-	-	-	-	-
Finance lease liabilities (ix) (note 30.3.2)	5	35	-	-	-	-
Other [describe]	-	-	-	-	-	-
	54,519	56,700	111,153	48,824	38,826	46,031



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

30. Borrowings (continued)

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Classified as:						
Current	21,908	25,222	52,750	21,775	31,826	40,035
Non-current	32,611	31,478	58,403	27,049	7,000	5,996
	54,519	56,700	111,153	48,824	38,826	46,031

30.1. Summary of borrowing arrangements

- NZ IFRS 7.7 (i) Bills of exchange with a floating interest rate were issued in 2000. The current weighted average effective interest rate on the bills is 6.8% per annum (2008: 6.8% per annum).
- NZ IFRS 7.7 (ii) Loans from subsidiaries are repayable on demand. Interest rates are set out at note 43.2. The Company expects to settle approximately half of the outstanding balance in the next twelve months.
- NZ IFRS 7.7 (iii) Amounts repayable to related parties of the Group (excluding subsidiaries). Interest of 8.0% - 8.2% per annum is charged on the outstanding loan balances (2008: 8.0% - 8.2% per annum).
- NZ IFRS 7.7 (iv) Fixed rate loans with a finance company with maturity periods not exceeding 3 years (2008: 4 years). The weighted average effective interest rate on the loans is 8.15% per annum (2008: 8.10% per annum). The Group hedges a portion of the loans via an interest rate swap exchanging fixed rate interest for floating rate interest. The outstanding balance is adjusted for fair value movements in the hedged risk, being movements in the interbank rate in New Zealand.
- NZ IFRS 7.7 (v) 3,000,000 7% redeemable cumulative preference shares bearing fixed dividends of 7% per annum were issued on 1 June 2009 at an issue price of \$5 per share. The shares are redeemable on 31 May 2011 at \$5 per share.

COMMENTARY

If the redeemable cumulative preference shares are designated as financial liabilities at FVTPL, redeemable cumulative preference shares would be shown as liabilities as at FVTPL in note 32.

- NZ IFRS 7.7 (vi) 2,500 6% perpetual notes were issued on 27 August 2009 at \$1,000 principal value. Issue costs of \$0.6 million were incurred.
- NZ IFRS 7.7, NZ IAS 16.74(a) (vii) Bank loans are secured by a mortgage over the Group's freehold land and buildings (note 25.2). The current weighted average effective interest rate on the bank loans is 8.30% per annum (2008: 8.32% per annum).
- NZ IFRS 7.7 (viii) Transferred receivables are secured by a charge over certain of the Group's trade receivables (note 14.3).
- NZ IFRS 7.7, NZ IAS 16.74(a) (ix) Finance lease liabilities are secured by the assets leased. The current weighted average effective interest rate on the finance lease liabilities is 7.95% per annum (2008: 7.90% per annum).

30.2. Breach of loan agreement

- NZ IFRS 7.18 During 2009, the Company was late in paying interest for the first quarter on one of its loans with a carrying amount of \$5 million at 31 December. The delay arose because of a temporary lack of funds on the date interest was payable due to a technical problem on settlement. The interest payment outstanding of \$107,500 was repaid in full on the following day, including the additional interest and penalty. The lender did not request accelerated repayment of the loan and the terms of the loan were not changed. Management has reviewed the Group's settlement procedures to ensure that such circumstances do not recur.

30.3. Obligations under finance leases

30.3.1. Leasing arrangements

NZ IAS 17.31(e)
NZ IFRS 7.7

Finance leases relate to manufacturing equipment with lease terms of 5 years. The Group has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

30. Borrowings (continued)

30.3. Obligations under finance leases (continued)

30.3.1. Leasing arrangements (continued)

NZ IAS 17.31(c)

Contingent rental expense recognised during the year

Group		Company	
2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
-	-	-	-

NZ IAS 17.31(b)

30.3.2. Finance lease liabilities

NZ IAS 17.31(b)

NZ IAS 17.31(b)

NZ IAS 17.31(b)

NZ IAS 17.31(d)

Group

Not later than one year
Later than one year and not later than five years
Later than five years

Minimum future lease payments(*)

Less future finance charges

Present value of minimum lease payments

Minimum future lease payments		Present value of minimum lease payments	
2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
10	58	9	54
6	44	5	35
-	-	-	-
16	102	14	89
(2)	(13)	-	-
14	89	14	89

Classified as:

Current borrowings
Non-current borrowings

9	54
5	35
14	89

NZ IAS 17.31(b)

NZ IAS 17.31(b)

NZ IAS 17.31(b)

NZ IAS 17.31(d)

Company

Not later than one year
Later than 1 year and not later than five years
Later than five years

Minimum future lease payments(*)

Less future finance charges

Present value of minimum lease payments

Minimum future lease payments		Present value of minimum lease payments	
2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Classified as:

Current borrowings
Non-current borrowings

-	-
-	-
-	-

(*) Minimum lease payments includes the aggregate of all lease payments and any guaranteed residual.

30.3.3. Fair value

NZ IFRS 7.25

The fair value of the finance lease liabilities is approximately equal to their carrying amount.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

31. Convertible notes

NZ IFRS 7.7

4.5 million New Zealand dollar denominated convertible notes were issued by the Company on 1 September 2009 at an issue price of \$1.10 per note. Each block of 10 notes may be converted by the holders into 4 ordinary shares.

Conversion may occur at any time between 1 July 2013 and 31 August 2013. If the notes have not been converted, they will be redeemed on 1 September 2013 at \$1. Interest of 5.5% will be paid quarterly up until that settlement date.

NZ IAS 32.28

The net proceeds received from the issue of the convertible notes have been split between a liability element and an equity component, representing the residual attributable to the option to convert the liability into equity as follows:

	Group & Company	
	2009 NZ\$'000	2008 NZ\$'000
Proceeds of issue (net of apportioned transaction costs)	4,950	-
Liability component at date of issue	(4,116)	-
Equity component (note 38.7)	834	-

The equity component of \$0.8 million has been credited to equity (option premium on convertible notes – note 38.7).

NZ IFRS 7.7

The interest charged for the year is calculated by applying an effective interest rate of 8% per annum to the liability component. The liability component is measured at amortised cost. The difference between the carrying amount of the liability component at the date of issue (\$4.1 million) and the amount reported in the balance sheet at 31 December (\$4.1 million) (note 30) represents the effective interest rate less interest paid to that date.

NZ IFRS 7.7

32. Other financial liabilities

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Financial guarantee contracts						
<i>Current</i>	24	18	18	-	-	-
<i>Non-current</i>	-	-	-	-	-	-
	24	18	18	-	-	-
Derivatives that are designated and effective as hedging instruments carried at fair value						
<i>Current</i>						
Forward foreign exchange contracts	87	-	-	-	-	-
Interest rate swaps	5	-	-	-	-	-
Currency swaps	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-
	92	-	-	-	-	-
<i>Non-current</i>						
Forward foreign exchange contracts	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-
Currency swaps	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-
	-	-	-	-	-	-

NZ IFRS 7.7



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IFRS 7.7

32. Other financial liabilities (continued)

NZ IFRS 7.7

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Financial liabilities carried at FVTPL						
<i>Current</i>						
Non-derivative financial liabilities designated as at FVTPL	-	-	-	-	-	-
Held for trading derivatives that are not designated in effective hedge accounting relationships	-	-	-	-	-	-
Held for trading non-derivative financial liabilities	-	-	-	-	-	-
	-	-	-	-	-	-
<i>Non-current</i>						
Non-derivative financial liabilities designated as at FVTPL	-	-	-	-	-	-
Held for trading derivatives that are not designated in effective hedge accounting relationships	-	-	-	-	-	-
Held for trading non-derivative financial liabilities	-	-	-	-	-	-
	-	-	-	-	-	-
Other [describe]						
<i>Current</i>	-	-	-	-	-	-
<i>Non-current</i>	-	-	-	-	-	-
	-	-	-	-	-	-
	116	18	18	-	-	-
Classified as:						
Current	116	18	18	-	-	-
Non-current	-	-	-	-	-	-
	116	18	18	-	-	-



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IFRS 7.7

32. Other financial liabilities (continued)

COMMENTARY						
<i>If the redeemable cumulative preference shares are designated as financial liabilities at FVTPL, (and if an interest rate swap is outstanding to economically hedge fair value interest rate risk), the following additional amounts would be included in note 32:</i>						
	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Financial liabilities carried at FVTPL						
Non-current						
NZ IFRS 7.8(e)	Non-derivative financial liabilities designated as at FVTPL (i)					
	14,950	-	-	-	-	-
NZ IFRS 7.8(e)	Held for trading derivatives that are not designated in effective hedge accounting relationships (ii)					
	50	-	-	-	-	-
	Held for trading non-derivative financial liabilities					
	-	-	-	-	-	-
	15,000	-	-	-	-	-
NZ IFRS 7.7	(i) 3,000,000 7% redeemable cumulative preference shares were issued on 1 June 2009 at an issue price of \$5 per share. The shares are redeemable on 31 May 2011 at \$5 per share. The shares are unsecured borrowings of the Group and are designated as at FVTPL.					
NZ IFRS 7.7	(ii) A pay-floating receive-fixed interest rate swap economically hedges fair value interest rate risk of redeemable cumulative preference shares. The swap matures on 31 May 2011.					
<i>An explanation along the following lines would be required:</i>						
The Group has designated its redeemable cumulative preference shares as financial liabilities at FVTPL as permitted by NZ IAS 39 <i>Financial Instruments: Recognition and Measurement</i> . The preference shares have fixed interest payments and mature on 31 May 2011. To reduce the fair value risk of changing interest rates, the Group has entered into a pay-floating receive-fixed interest rate swap. The swap's notional principal is \$15 million and matches the principal of the cumulative redeemable preference shares. The swap matures on 31 May 2011. The designation of preference shares as at FVTPL eliminates the accounting mismatch arising on measuring the liability at amortised cost and measuring the derivative at FVTPL.						

33. Provisions

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Current						
	Employee benefits (i)					
	583	2,492	1,863	110	92	110
	Provision for rectification work (ii)					
	1,940	-	-	-	-	-
	Warranties (iii)					
	528	295	320	-	-	-
	Onerous lease contracts (iv) (note 46.1.3)					
	305	408	350	2	4	3
	Restructuring and termination costs (v)					
	-	-	-	-	-	-
	Decommissioning costs (vi)					
	-	-	-	-	-	-
	Other [describe]					
	-	-	-	-	-	-
	3,356	3,195	2,533	112	96	113
Non-current						
	Employee benefits (i)					
	676	1,896	1,026	20	48	56
	Provision for rectification work (ii)					
	1,118	-	-	-	-	-
	Warranties (iii)					
	-	-	-	-	-	-
	Onerous lease contracts (iv) (note 46.1.3)					
	425	335	743	-	-	-
	Restructuring and termination costs (v)					
	-	-	-	-	-	-
	Decommissioning costs (vi)					
	-	-	-	-	-	-
	Other [describe]					
	-	-	-	-	-	-
	2,219	2,231	1,769	20	48	56



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

33. Provisions (continued)

NZ IAS 8.28

In prior years, the Group also recognised a provision in respect of the anticipated costs of fulfilling its obligations to customers under its Maxi-Points Scheme. As a result of the adoption of NZ IFRIC 13 *Customer Loyalty Programmes* (see note 2.4.1), that provision is no longer recognised. The financial statements have been adjusted retrospectively in accordance with the transitional provisions of NZ IFRIC 13. The provision previously reported for Maxi-Point obligations at 31 December 2008 was \$111,000 (1 January 2008: \$63,000). There is no impact on the Company financial statements.

		Employee benefits	Rectification work	Warranties	Onerous leases	Restructuring / termination	Decommissioning
		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
	Group						
NZ IAS 37.84(a)	Balance at 1 January 2009	4,388	-	295	743	-	-
NZ IAS 37.84(b)	Additional provisions recognised	-	4,170	338	369	-	-
NZ IAS 37.84(c)	Reductions arising from payments/other sacrifices of future economic benefits	(3,174)	(1,112)	(90)	(310)	-	-
NZ IAS 37.84(d)	Reductions resulting from re-measurement or settlement without cost	-	-	(15)	(100)	-	-
NZ IAS 37.84(e)	Unwinding of discount and effect of changes in the discount rate (note 8)	-	-	-	28	-	-
	Contingent liability recognised on the acquisition of Green Dot Finance Limited (i) (note 20.2)	45	-	-	-	-	-
	Other [describe]	-	-	-	-	-	-
NZ IAS 37.84(a)	Balance at 31 December 2009	1,259	3,058	528	730	-	-

		Employee benefits	Rectification work	Warranties	Onerous leases	Restructuring / termination	Decommissioning
		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
	Company						
NZ IAS 37.84(a)	Balance at 1 January 2009	140	-	-	4	-	-
NZ IAS 37.84(b)	Additional provisions recognised	-	-	-	-	-	-
NZ IAS 37.84(c)	Reductions arising from payments/other sacrifices of future economic benefits	(10)	-	-	(2)	-	-
NZ IAS 37.84(d)	Reductions resulting from re-measurement or settlement without cost	-	-	-	-	-	-
NZ IAS 37.84(e)	Unwinding of discount and effect of changes in the discount rate (note 8)	-	-	-	-	-	-
	Contingent liability recognised on the acquisition of Green Dot Finance Limited (i) (note 20.2)	-	-	-	-	-	-
	Other [describe]	-	-	-	-	-	-
NZ IAS 37.84(a)	Balance at 31 December 2009	130	-	-	2	-	-

NZ IAS 37.85(a), (b)

(i) The provision for employee benefits represents annual leave, sick leave and long service leave entitlements accrued and compensation claims made by employees. On the acquisition of Green Dot Finance Limited, the Group recognised an additional contingent liability in respect of employees' compensation claims outstanding against that company, which was settled in February 2010.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

33. Provisions (continued)

- NZ IAS 37.85(a),(b) (ii) The provision for rectification work relates to the estimated cost of work agreed to be carried out for the rectification of goods supplied to one of the Group's major customers (note 11.7). Anticipated expenditure for 2010 is \$1.9 million, and for 2011 is \$1.1 million.
- NZ IAS 37.85(a),(b) (iii) The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Group's 12-month warranty program for certain electronic equipment. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.
- NZ IAS 37.85(a),(b) (iv) The provision for onerous lease contracts represents the present value of the future lease payments that the Group is presently obligated to make under non-cancellable onerous operating lease contracts, less revenue expected to be earned on the lease, including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable. The unexpired terms of the leases range from 3 to 5 years.
- NZ IAS 37.85(a),(b) (v) The provision for restructuring and termination costs represents the present value of the directors' best estimate of the direct costs of the restructuring which was announced on 10 December 2009 that are not associated with the ongoing activities of the Group, including termination benefits. The restructuring is expected to be completed by [date].
- NZ IAS 37.85(a),(b) (vi) The provision for decommissioning costs represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required to remove leasehold improvements from leased property. The estimate has been made on the basis of quotes obtained from external contractors. The unexpired terms of the leases range from 3 to 5 years.

34. Deferred revenue

NZ IAS 1.77 Deferred revenue relates to the Group's obligations under its Maxi-Points Scheme.

	Group NZ\$'000	Company NZ\$'000
Balance at 1 January 2008		
As originally reported	-	-
NZ IAS 8.28(g) Impact of change in accounting treatment of customer loyalty programme (see note 2.4.1)	84	-
As restated	84	-
Revenue deferred in respect of award credits earned	76	-
Revenue recognised on discharge of obligations for award credits	(13)	-
Balance at 1 January 2009	147	-
Revenue deferred in respect of award credits earned	83	-
Revenue recognised on discharge of obligations for award credits	(46)	-
Balance at 31 December 2009	184	-

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Classified as:						
Current	105	52	44	-	-	-
Non-current	79	95	40	-	-	-
	184	147	84	-	-	-



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

35. Other liabilities

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Current						
Lease incentives (note 46.1.3)	90	90	110	-	-	-
NZ IAS 20.39(b) Deferred government grants	-	-	-	-	-	-
Other [describe]	92	64	12	10	-	-
	182	154	122	10	-	-
Non-current						
Lease incentives (note 46.1.3)	180	270	213	-	-	-
NZ IAS 20.39(b) Deferred government grants	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-
	180	270	213	-	-	-

36. Retirement benefit plans

36.1. Defined contribution plans

The Company is not a party to any defined contribution plans.

The Group operates defined contribution retirement benefit plans for all qualifying employees of its subsidiaries in Europe. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The employees of the Group's subsidiary in North America are members of a state-managed retirement benefit plan operated by the government of North America. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

NZ IAS 19.46

The total expense recognised in the [income statement/statement of comprehensive income] of \$160,000 (2008: \$148,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December, contributions of \$8,000 (2008: \$8,000) due in respect of the 2009 (2008) reporting period had not been paid over to the plans. The amounts were paid over subsequent to the balance sheet date.

36.2. Defined benefit plans

The Company is not a party to any defined benefit plans.

NZ IAS 19.120A(b)

The Group operates funded defined benefit plans for qualifying employees of its subsidiaries in New Zealand. Under the plans, the employees are entitled to retirement benefits varying between 40% and 45% of final salary on attainment of a retirement age of 65. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2009 (2008: 31 December 2008) by Mr. F.G. Ho, Fellow of the New Zealand Society of Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

NZ IAS 19.120A(n)

The principal assumptions used for the purposes of the actuarial valuations were as follows (expressed as weighted averages):

	Valuation at	
	2009 %	2008 %
NZ IAS 19.120A(n) Discount rate(s)	5.52	5.20
NZ IAS 19.120A(n) Expected return on plan assets	11.73	10.40
NZ IAS 19.120A(n) Expected rate(s) of salary increase	5.00	5.00
NZ IAS 19.120A(n) Expected return on reimbursement rights	-	-
NZ IAS 19.120A(n) Other [describe]	-	-



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

36. Retirement benefit plans (continued)

36.2. Defined benefit plans (continued)

NZ IAS 19.120A(g)

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

NZ IAS 19.120A(g)

Current service cost

NZ IAS 19.120A(g)

Interest on obligation

NZ IAS 19.120A(g)

Expected return on plan assets

NZ IAS 19.120A(g)

Expected return on reimbursement rights

NZ IAS 19.120A(g)

Actuarial losses/(gains)

NZ IAS 19.120A(g)

Past service cost

NZ IAS 19.120A(g)

Losses/(gains) arising from curtailments or settlements

NZ IAS 19.120A(g)

Adjustments for restrictions on the defined benefit asset

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Current service cost	573	512	-	-
Interest on obligation	304	297	-	-
Expected return on plan assets	(546)	(479)	-	-
Expected return on reimbursement rights	-	-	-	-
Actuarial losses/(gains)	220	191	-	-
Past service cost	35	35	-	-
Losses/(gains) arising from curtailments or settlements	-	-	-	-
Adjustments for restrictions on the defined benefit asset	-	-	-	-
	586	556	-	-

NZ IAS 19.120A(g)

[The charge for the year is included in the employee benefits expense in the [statement of comprehensive income]]. [Of the charge for the year, \$0.4 million (2008: \$0.4 million) has been included in cost of sales and the remainder in administration expenses in the [income statement]].

NZ IAS 19.120A(f)

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

NZ IAS 19.120A(d)

Present value of funded defined benefit obligation

NZ IAS 19.120A(d)

Fair value of plan assets

NZ IAS 19.120A(f)

Deficit

NZ IAS 19.120A(f)

Net actuarial losses not recognised

NZ IAS 19.120A(f)

Past service cost not yet recognised

NZ IAS 19.120A(f)

Restrictions on asset recognised

NZ IAS 19.120A(f)

Fair value of reimbursement rights recognised as an asset

NZ IAS 19.120A(f)

Other [describe]

NZ IAS 19.120A(d)

Net liability arising from defined benefit obligation

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Present value of funded defined benefit obligation	6,654	6,092	5,518	-	-	-
Fair value of plan assets	(4,862)	(4,436)	(4,368)	-	-	-
	1,792	1,656	1,150	-	-	-
Present value of unfunded defined benefit obligation	-	-	-	-	-	-
Deficit	1,792	1,656	1,150	-	-	-
Net actuarial losses not recognised	(1,004)	(989)	(653)	-	-	-
Past service cost not yet recognised	(280)	(315)	(218)	-	-	-
Restrictions on asset recognised	-	-	-	-	-	-
Fair value of reimbursement rights recognised as an asset	-	-	-	-	-	-
Other [describe]	-	-	-	-	-	-
Net liability arising from defined benefit obligation	508	352	279	-	-	-

NZ IAS 19.120A(c)

Movements in the present value of the defined benefit obligation during the reporting period were as follows:



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

36. Retirement benefit plans (continued)

36.2. Defined benefit plans (continued)

NZ IAS 19.120A(c)

Opening defined benefit obligation

NZ IAS 19.120A(c)

Current service cost

NZ IAS 19.120A(c)

Interest cost

NZ IAS 19.120A(c)

Contributions from plan participants

NZ IAS 19.120A(c)

Actuarial losses/(gains)

NZ IAS 19.120A(c)

Past service cost

NZ IAS 19.120A(c)

Losses/(gains) on curtailments

NZ IAS 19.120A(c)

Liabilities extinguished on settlements

NZ IAS 19.120A(c)

Liabilities assumed in a business combination

NZ IAS 19.120A(c)

Exchange differences on foreign plans

NZ IAS 19.120A(c)

Benefits paid

NZ IAS 19.120A(c)

Other [describe]

NZ IAS 19.120A(c)

Closing defined benefit obligation

NZ IAS 19.120A(e)

Movements in the fair value of the plan assets in the current year were as follows:

NZ IAS 19.120A(e)

Opening fair value of plan assets

NZ IAS 19.120A(e)

Expected return on plan assets

NZ IAS 19.120A(e)

Actuarial gains/(losses)

NZ IAS 19.120A(e)

Exchange differences on foreign plans

NZ IAS 19.120A(e)

Contributions from the employer

NZ IAS 19.120A(e)

Contributions from plan participants

NZ IAS 19.120A(e)

Benefits paid

NZ IAS 19.120A(e)

Assets acquired in a business combination

NZ IAS 19.120A(e)

Assets distributed on settlements

NZ IAS 19.120A(e)

Other [describe]

NZ IAS 19.120A(e)

Closing fair value of plan assets

NZ IAS 19.120A(j)

The major categories of plan assets at 31 December are as follows:

NZ IAS 19.120A(j)

Equity instruments

NZ IAS 19.120A(j)

Debt instruments

NZ IAS 19.120A(j)

Property

NZ IAS 19.120A(j)

Other [describe]

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Opening defined benefit obligation	6,092	5,518	-	-
Current service cost	573	512	-	-
Interest cost	304	297	-	-
Contributions from plan participants	-	-	-	-
Actuarial losses/(gains)	445	135	-	-
Past service cost	-	350	-	-
Losses/(gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Liabilities assumed in a business combination	-	-	-	-
Exchange differences on foreign plans	-	-	-	-
Benefits paid	(760)	(720)	-	-
Other [describe]	-	-	-	-
	6,654	6,092	-	-

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Opening fair value of plan assets	4,436	4,368	-	-
Expected return on plan assets	546	479	-	-
Actuarial gains/(losses)	210	(91)	-	-
Exchange differences on foreign plans	-	-	-	-
Contributions from the employer	430	400	-	-
Contributions from plan participants	-	-	-	-
Benefits paid	(760)	(720)	-	-
Assets acquired in a business combination	-	-	-	-
Assets distributed on settlements	-	-	-	-
Other [describe]	-	-	-	-
	4,862	4,436	-	-

Fair value of plan assets

	2009 NZ\$'000	2008 NZ\$'000
Equity instruments	1,026	986
Debt instruments	1,980	1,850
Property	1,856	1,600
Other [describe]	-	-
	4,862	4,436



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

36. Retirement benefit plans (continued)

36.2. Defined benefit plans (continued)

NZ IAS 19.120A(l)

The expected rate of return at 31 December for each category, are as follows:

NZ IAS 19.120A(l)

Equity instruments

NZ IAS 19.120A(l)

Debt instruments

NZ IAS 19.120A(l)

Property

NZ IAS 19.120A(l)

Other [describe]

Weighted average expected return

Expected return	
2009	2008
%	%
15.01	12.03
9.59	7.49
12.21	12.76
-	-
11.73	10.40

NZ IAS 19.120A(l)

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset in the next twelve months.

NZ IAS 19.120A(m)

The actual return on plan assets was \$0.8 million (2008: \$0.4 million).

NZ IAS 19.120A(k)

The plan assets include ordinary shares of Green Dot Holdings Limited with a fair value of \$0.4 million (2008: \$0.3 million) and property occupied by a subsidiary of Green Dot Holdings Limited with a fair value of \$0.6 million (2008: \$0.6 million).

NZ IAS 19.120A(p)

The history of experience adjustments is as follows:

NZ IAS 19.120A(p)

Group

Present value of defined benefit obligation

NZ IAS 19.120A(p)

Fair value of plan assets

NZ IAS 19.120A(p)

Deficit

NZ IAS 19.120A(p)

Experience adjustments on plan liabilities

NZ IAS 19.120A(p)

Experience adjustments on plan assets

Company

NZ IAS 19.120A(p)

Present value of defined benefit obligation

NZ IAS 19.120A(p)

Fair value of plan assets

NZ IAS 19.120A(p)

Deficit

NZ IAS 19.120A(p)

Experience adjustments on plan liabilities

NZ IAS 19.120A(p)

Experience adjustments on plan assets

	2009 NZ\$'000	2008 NZ\$'000	2007 NZ\$'000	2006 NZ\$'000	2005 NZ\$'000
Present value of defined benefit obligation	6,654	6,092	5,518	5,162	4,902
Fair value of plan assets	(4,862)	(4,436)	(4,368)	(4,015)	(3,774)
Deficit	1,792	1,656	1,150	1,147	1,128
Experience adjustments on plan liabilities	304	108	210	193	116
Experience adjustments on plan assets	210	(91)	156	148	58
Present value of defined benefit obligation	-	-	-	-	-
Fair value of plan assets	-	-	-	-	-
Deficit	-	-	-	-	-
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

COMMENTARY

NZ IAS 19.120A(p)

A five year history of the present value of the defined benefit obligation, fair value of plan assets, the surplus or deficit in the plan, and experience adjustments arising on plan liabilities and plan assets shall be disclosed. This information may be disclosed prospectively from the first annual reporting period presented in the financial report in which the revised NZ IAS 19 is first applied (mandatory from 1 January 2006, early adoption encouraged, in these model financial statements, the entity early adopted).

NZ IAS 19.120A(q)

The Group expects to make a contribution of \$0.4 million (2008: \$0.4 million) to the defined benefit plans during the next year.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

COMMENTARY

Notes 37 to 40 below set out detailed descriptions and reconciliations for each class of share capital and each component of equity, as required by NZ IAS 1.79 and NZ IAS 1.106. NZ IAS 1 permits some flexibility regarding whether the detail is presented in the statement of changes in equity or in the notes. The Standard also allows that some of the details regarding components of other comprehensive income (income tax and reclassification adjustments) may be disclosed in the notes rather than in the statement of comprehensive income. Entities will determine the most appropriate presentation for their circumstances.

Whichever presentation is selected, entities will need to ensure that the following requirements have been met:

- Detailed reconciliations are required for each class of share capital (in the statement of changes in equity or in the notes);
- Detailed reconciliations are required for each component of equity – separately disclosing the impact on each component of profit or loss, each component of other comprehensive income, and transactions with owners in their capacity as owners (in the statement of changes in equity or in the notes);
- The amount of income tax relating to each component of other comprehensive income should be disclosed (in the statement of comprehensive income or in the notes); and
- Reclassification adjustments should be presented separately from the related component of other comprehensive income (in the statement of comprehensive income or in the notes).

37. Issued capital

NZ IAS 1.79(a)
NZ IAS 1.79(a)
NZ IAS 1.79(a)

14,844,000 fully paid ordinary shares (2008: 20,130,000)
2,500,000 partly paid ordinary shares (2008: 2,500,000)
1,200,000 fully paid 10% converting non-participating preference shares (2008: 1,100,000)

Group & Company		
2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
29,753	45,797	45,797
1,775	1,775	1,775
1,194	1,100	1,100
32,722	48,672	48,672

NZ IAS 1.79(a)

Changes to the Companies Act in 1993 abolished the authorised capital and par value concept in relation to share capital from 1 July 1994. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

NZ IAS 1.79(a)

37.1. Fully paid ordinary shares

Balance at 1 January 2008 and 1 January 2009

Issue of shares under employee share option plan (note 42)
Transfer from equity-settled employee benefits reserve (note 38.4)
Issue of shares for consulting services performed
Share buy-back
Share buy-back costs
Related income tax

Balance at 31 December 2009

Group & Company	
Number of shares No'000	Share capital NZ\$'000
20,130	45,797
314	314
-	367
3	8
(5,603)	(16,456)
-	(277)
-	-
14,844	29,753



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

37. Issued capital (continued)

37.1. Fully paid ordinary shares (continued)

Fully paid ordinary shares carry one vote per share, carry a right to dividends and a pro rata share of net assets on a wind up.

NZ IFRS 2.48

The fair value of shares issued for consulting services was determined by reference to the market rate for similar consulting services.

NZ IAS 1.79(a)

37.2. Partly paid ordinary shares

	Group & Company	
	Number of shares No'000	Share capital NZ\$'000
Balance at 1 January 2008 and 1 January 2009	2,500	1,775
Movements [describe]	-	-
Balance at 31 December 2009	2,500	1,775

Partly paid ordinary shares have no voting rights and no right to dividends. However, they carry a right to a pro rata share of net assets on a wind up, based on the amount paid up.

NZ IAS 1.79(a)

37.3. Converting non-participating preference shares

	Group & Company	
	Number of shares No'000	Share capital NZ\$'000
Balance at 1 January 2008 and 1 January 2009	1,100	1,100
Issue of shares	100	100
Share issue costs	-	(6)
Related income tax	-	-
Balance at 31 December 2009	1,200	1,194

NZ IAS 1.79(a)

Converting non-participating preference shares are entitled to receive a discretionary 10% preference dividend before any dividends are declared to the ordinary shareholders. The converting non-participating preference shares convert into ordinary shares on a one-for-one basis and are due for conversion on 1 November 2013. Converting non-participating preference shares have no right to share in any surplus assets or profits.

37.4. Share options granted under the employee share option plan

NZ IAS 1.79(a)

As at 31 December 2009, executives and senior employees held options over 196,000 ordinary shares (of which 60,000 are unvested), in aggregate, with 136,000 of those options expiring on 30 March 2010, and the remainder expiring on 28 September 2010. As at 31 December 2008, executives and senior employees held options over 290,000 ordinary shares, in aggregate, with 140,000 of those options expiring 31 March 2009, and the remainder expiring on 29 September 2009.

Share options granted under the employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are contained in note 42 to the financial statements.

37.5. Other convertible instruments

The redeemable cumulative preference shares issued by the Company have been classified as liabilities (see note 30).

The Company has issued convertible notes which may be convertible into ordinary shares at any time between 1 July 2013 and 31 August 2013. The liability portion of these compound financial instruments is classified as borrowings (note 30). The equity component is recorded in reserves (note 38.7).



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IAS 1.77

38. Reserves

Note	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
General reserve	38.1	807	807	807	807	807
Properties revaluation reserve	38.2	1,513	1,516	51	1	-
Available-for-sale revaluation reserve	38.3	593	527	470	58	74
Equity-settled employee benefits reserve	38.4	177	338	-	177	-
Hedging reserve	38.5	296	269	258	-	-
Foreign currency translation reserve	38.6	182	225	140	-	-
Option premium - convertible notes	38.7	584	-	-	584	-
Other [describe]		-	-	-	-	-
		4,152	3,682	1,726	1,627	881

38.1. General reserve

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	807	807	807	807
Movements [describe]	-	-	-	-
Balance at end of the year	807	807	807	807

COMMENTARY

Please refer to the commentary preceding note 37.

NZ IAS 1.79(b)

The general reserve is used from time to time to transfer profits from retained earnings. There is no policy of regular transfer.

38.2. Properties revaluation reserve

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	1,516	51	1	-
Gain on revaluation of properties (note 25)	-	1,645	-	2
Change in existing commissioning, restoration or similar liabilities	-	-	-	-
Impairment losses	-	-	-	-
Reversals of impairment losses	-	-	-	-
Deferred tax liability arising on revaluation	-	(180)	-	(1)
Reversal of deferred tax liability on revaluation	-	-	-	-
Transfer to retained earnings (note 39)	(3)	-	-	-
Effect on reserve balance due to changes in income tax rates	-	-	-	-
Other [describe]	-	-	-	-
Balance at end of the year	1,513	1,516	1	1

NZ IAS 16.77(f)

NZ IAS 36.126(c)

NZ IAS 36.126(d)

COMMENTARY

Please refer to the commentary preceding note 37.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

38. Reserves (continued)

38.2. Properties revaluation reserve (continued)

NZ IAS 1.79(b)

The properties revaluation reserve arises on the revaluation of land and buildings. Where revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings.

38.3. Available-for-sale revaluation reserve

NZ IFRS 7.20(a)

NZ IFRS 7.20(a)

NZ IFRS 7.20(a)

Balance at beginning of the year

Gain on revaluation of available-for-sale financial assets

Cumulative (gain)/loss transferred to profit or loss on sale of available-for-sale financial assets

Cumulative (gain)/loss transferred to profit or loss on impairment of available-for-sale financial assets

Related income tax

Effect on reserve balance due to changes in income tax rates

Other [describe]

Balance at end of the year

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	527	470	36	74
Gain on revaluation of available-for-sale financial assets	94	81	31	(55)
Cumulative (gain)/loss transferred to profit or loss on sale of available-for-sale financial assets	-	-	-	-
Cumulative (gain)/loss transferred to profit or loss on impairment of available-for-sale financial assets	-	-	-	-
Related income tax	(28)	(24)	(9)	17
Effect on reserve balance due to changes in income tax rates	-	-	-	-
Other [describe]	-	-	-	-
Balance at end of the year	593	527	58	36

COMMENTARY

Please refer to the commentary preceding note 37.

NZ IAS 1.79(b)

The available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued available-for-sale financial asset is sold, the portion of the reserve which relates to that available-for-sale financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued available-for-sale financial asset is impaired, the portion of the reserve which relates to that available-for-sale financial asset is recognised in profit or loss.

38.4. Equity-settled employee benefits reserve

Balance at beginning of the year

Share-based payment (note 11.6 and note 42)

Transfer to share capital (note 37.1)

Other [describe]

Balance at end of the year

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	338	-	338	-
Share-based payment (note 11.6 and note 42)	206	338	206	338
Transfer to share capital (note 37.1)	(367)	-	(367)	-
Other [describe]	-	-	-	-
Balance at end of the year	177	338	177	338

COMMENTARY

Please refer to the commentary preceding note 37.

NZ IAS 1.79(b)

The equity-settled employee benefits reserve arises on the grant of share options to employees under the employee share option plan. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to employees is set out in note 42.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

38. Reserves (continued)

38.5. Hedging reserve

NZ IFRS 7.23(c)

Balance at beginning of the year

Gain/(loss) recognised on cash flow hedges

Forward foreign exchange contracts

Interest rate swaps

Currency swaps

Income tax related to gains/losses recognised in other comprehensive income

NZ IFRS 7.23(d)

Transfer to profit or loss

Forward foreign exchange contracts

Interest rate swaps (note 8)

Currency swaps

Income tax related to amounts above transferred to profit or loss

Income tax (related to amounts transferred to initial carrying amount) transferred to profit or loss

NZ IFRS 7.23(e)

Transfer to initial carrying amount of non-financial hedged item on cash flow hedges

Forward foreign exchange contracts

Interest rate swaps

Currency swaps

Effect on reserve balance due to changes in income tax rates

Other [describe]

NZ IAS 16.77(f)

Balance at end of the year

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	269	258	-	-
Gain/(loss) recognised on cash flow hedges				
Forward foreign exchange contracts	209	(41)	-	-
Interest rate swaps	227	357	-	-
Currency swaps	-	-	-	-
Income tax related to gains/losses recognised in other comprehensive income	(131)	(95)	-	-
Transfer to profit or loss				
Forward foreign exchange contracts	(3)	-	-	-
Interest rate swaps (note 8)	(125)	(89)	-	-
Currency swaps	-	-	-	-
Income tax related to amounts above transferred to profit or loss	38	27	-	-
Income tax (related to amounts transferred to initial carrying amount) transferred to profit or loss	81	63	-	-
Transfer to initial carrying amount of non-financial hedged item on cash flow hedges				
Forward foreign exchange contracts	(269)	(211)	-	-
Interest rate swaps	-	-	-	-
Currency swaps	-	-	-	-
Effect on reserve balance due to changes in income tax rates	-	-	-	-
Other [describe]	-	-	-	-
Balance at end of the year	296	269	-	-

COMMENTARY

Please refer to the commentary preceding note 37.

NZ IAS 1.79(b)

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

NZ IFRS 7.23(d)

Gains and losses transferred from equity into profit or loss during the period are included in the following line items in the [income statement/statement of comprehensive income]:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Revenue	-	-	-	-
Other income	-	-	-	-
Finance costs (note 8)	(125)	(89)	-	-
Other expenses	(3)	-	-	-
Income tax expense	38	27	-	-
Other [describe]	-	-	-	-
	(90)	(62)	-	-



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

38. Reserves (continued)

NZ IAS 21.52(b)

38.6. Foreign currency translation reserve

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	225	140	-	-
Gain/(loss) recognised on translation of foreign operations				
Arising on translation of foreign operations	75	121	-	-
Deferred tax arising from translation of foreign operations	(23)	(36)	-	-
Gain/(loss) recognised on hedge of a net investment in a foreign operation				
Loss on a hedge of a net investment in a foreign operation	(12)	-	-	-
Deferred tax arising from loss on hedge of a net investment in a foreign operation	4	-	-	-
Transfer to profit or loss – foreign operation				
Gain recycled on disposal of foreign operation	(125)	-	-	-
Income tax related to gain recycled on disposal of foreign operation	38	-	-	-
Transfer to profit or loss – hedge of a net investment in a foreign operation				
Gain recycled on disposal of foreign operation, relating to hedge of a net investment in a foreign operation	-	-	-	-
Income tax related to gain recycled on disposal of foreign operation, relating to hedge of a net investment in a foreign operation	-	-	-	-
Effect on reserve balance due to changes in income tax rates	-	-	-	-
Other [describe]	-	-	-	-
Balance at end of the year	182	225	-	-

COMMENTARY

Please refer to the commentary preceding note 37.

NZ IAS 1.79(b)

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into New Zealand dollars are brought to account by entries made directly to the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are included in the foreign currency translation reserve.

38.7. Option premium on convertible notes

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	-	-	-	-
Issue of convertible notes (note 31)	834	-	834	-
Related income tax	(250)	-	(250)	-
Effect on reserve balance due to changes in income tax rates	-	-	-	-
Balance at end of the year	584	-	584	-

COMMENTARY

Please refer to the commentary preceding note 37.

NZ IAS 1.79(b)

The option premium on convertible notes represents the equity component (conversion rights) of the 4.5 million 5.5% convertible notes issued during the year (see note 31).



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

38. Reserves (continued)

38.8. Components of other comprehensive income

NZ IAS 1.92

NZ IAS 1.92

NZ IAS 1.92

NZ IAS 1.92

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Revaluation of properties				
Gains/(losses) on revaluation of properties	-	1,645	-	2
Available-for-sale financial assets				
Gains/(losses) arising during the year	94	81	31	(55)
Less:				
Reclassification adjustments for gains/(losses) included in profit or loss on disposal	-	-	-	-
	94	81	31	(55)
Cash flow hedges				
Gains/(losses) arising during the year	436	316	-	-
Less:				
Reclassification adjustments for gains/(losses) included in profit or loss	(128)	(89)	-	-
Adjustments for amounts transferred to initial carrying amount of hedged items	(269)	(211)	-	-
	39	16	-	-
Hedge of a net investment in a foreign operation				
Gains/(losses) arising during the year	(12)	-	-	-
Less:				
Reclassification adjustments for gains/(losses) included in profit or loss on disposal	-	-	-	-
	(12)	-	-	-
Translation of foreign operations				
Gains/(losses) arising during the year	75	121	-	-
Less:				
Reclassification adjustments for gains/(losses) included in profit or loss on disposal	(125)	-	-	-
	(50)	121	-	-
Income tax relating to components of other comprehensive income	(21)	(245)	(9)	16
Other comprehensive income, net of tax	50	1,618	22	(37)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IAS 1.77

39. Retained earnings and dividends

NZ IAS 8.28(f)

NZ IAS 8.49(c)

Balance at beginning of the year

Effect of change in the accounting for customer loyalty programmes (note 2.4.1)

Effect of correction of errors

Restated opening balance

Net profit attributable to members of the parent entity

Dividends provided for or paid

Share buy-back

Related income tax

Transfer from properties revaluation reserve (note 38.2)

Other [describe]

Balance at end of the year

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	94,986	73,917	23,719	17,772
Effect of change in the accounting for customer loyalty programmes (note 2.4.1)	-	(21)	-	-
Effect of correction of errors	-	-	-	-
Restated opening balance	94,986	73,896	23,719	17,772
Net profit attributable to members of the parent entity	22,552	27,569	13,891	12,426
Dividends provided for or paid	(6,635)	(6,479)	(6,635)	(6,479)
Share buy-back	(555)	-	(555)	-
Related income tax	-	-	-	-
Transfer from properties revaluation reserve (note 38.2)	3	-	-	-
Other [describe]	-	-	-	-
Balance at end of the year	110,351	94,986	30,420	23,719

COMMENTARY

Please refer to the commentary preceding note 37.

NZ IAS 1.107

On 23 May 2009, a dividend of 32.1 cents per share (total dividend \$6.5 million) was paid to holders of fully paid ordinary shares. In May 2008, the dividend paid was 31.64 cents per share (total dividend \$6.4 million).

NZ IAS 1.107

Dividends of 10 cents per share were paid on converting non-participating preference shares during the year (2008: 10 cents per share) amounting to a total dividend of \$0.1 million (2008: \$0.1 million).

NZ IAS 1.137(a)
NZ IAS 10.13
NZ IAS 12.81(i)

In respect of the current year, the directors propose that a dividend of 26.31 cents per share will be paid to shareholders on 25 May 2010. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the Register of Members on 21 April 2010. The total estimated dividend to be paid is \$3.9 million. The payment of this dividend will not have any tax consequences for the Group.

NZ IAS 1.137(b)

In addition, dividends of \$0.6 million (2008: \$nil) have been paid on redeemable cumulative preference shares classified as liabilities (see note 8 and 30).

40. Minority interest

NZ IAS 8.28(f)

NZ IAS 8.49(c)

Balance at beginning of the year

Effects of changes in accounting policy

Effect of correction of errors

Restated opening balance

Share of profit for the year

Payment of dividends

Effects of changes in accounting policy

Effects of corrections in errors

Balance at end of the year

	Group	
	2009 NZ\$'000	2008 NZ\$'000
Balance at beginning of the year	20,005	17,242
Effects of changes in accounting policy	-	-
Effect of correction of errors	-	-
Restated opening balance	20,005	17,242
Share of profit for the year	4,000	2,763
Payment of dividends	-	-
Effects of changes in accounting policy	-	-
Effects of corrections in errors	-	-
Balance at end of the year	24,005	20,005

COMMENTARY

Please refer to the commentary preceding note 37.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments

COMMENTARY

The following are examples of the types of disclosures that might be required in this area. The matters disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the results and financial position.

NZ IFRS 7.6

When disclosure by class of financial instrument is required by NZ IFRS 7, an entity shall group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the balance sheet.

NZ IFRS 7.34(a),
NZ IAS 1.135

Summary quantitative data about the entity's exposure to risk at the end of the reporting period, and capital management disclosures, are based on information provided internally to key management personnel.

NZ IAS 1.134,135

41.1. Capital risk management

NZ IAS 1.135(a),(c)

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2008.

NZ IAS 1.135(a),(b)

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 30, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 37, 38 and 39 respectively.

NZ IAS 1.135(b)

41.1.1. Gearing ratio

The Group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 20-25% determined as the proportion of net debt to equity. Based on the committee's recommendations, the Group expects to increase its gearing ratio closer to 25% through the issue of new debt and the payment of dividends.

The gearing ratio at 31 December was as follows:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Debt (i)	54,519	56,700	48,824	38,826
Cash and cash equivalents (note 13)	(21,096)	(19,400)	(8,050)	(6,469)
Net debt	33,423	37,300	40,774	32,357
Equity (ii)	171,230	167,345	64,769	73,573
Net debt to equity ratio	20%	22%	63%	44%

(i) Debt is defined as long-term and short-term borrowings, as detailed in note 30.

(ii) Equity includes all capital and reserves of the Group.

41.1.2. Externally imposed capital requirements

None of the Group's entities are subject to externally imposed capital requirements.

COMMENTARY

NZ IAS 1.135(a),(d)

When an entity is subject to externally imposed capital requirements, it should disclose the nature of those requirements, how those requirements are incorporated into the management of capital, and whether it complied with those requirements during the period.

NZ IAS 1.135(e)

When the entity has not complied with such externally imposed capital requirements, it shall disclose the consequences of such non-compliance.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

NZ IFRS 7.8

41.2. Categories of financial instruments

NZ IFRS 7.8

COMMENTARY

The carrying amounts of certain NZ IAS 39 financial instrument categories shall be disclosed on the face of the balance sheet or in the notes. If the categories are apparent from the face of the balance sheet, the disclosures below would not be required.

These model financial statements have demonstrated two alternative presentations:

- (a) Alternative one presents total amounts attributable to each financial asset and financial liability category required under NZ IFRS 7 along with other types of financial assets and financial liabilities; and
- (b) Alternative two presents for each balance sheet line, the amounts attributable to each financial asset and financial liability category required under NZ IFRS 7 along with other types of financial assets and financial liabilities. It reconciles to total financial assets and financial liabilities and to total assets and total liabilities.

Alternative one:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Financial assets				
Fair value through profit or loss:				
Held for trading	-	-	-	-
Designated as at FVTPL	-	-	-	-
Held-to-maturity investments	6,863	5,262	18	208
Loans and receivables	25,135	20,285	43,460	44,784
Available-for-sale financial assets	8,110	7,858	2,889	2,762
Cash and cash equivalents	21,634	19,778	8,552	6,681
Derivative instruments in designated hedge accounting relationships	528	397	-	-
Investments in associates accounted for using the equity method	8,455	7,269	-	-
Investments carried at cost	-	-	66,298	66,298
Financial liabilities				
Fair value through profit or loss:				
Held for trading	-	-	-	-
Designated as at FVTPL	-	-	-	-
Financial liabilities at amortised cost	(74,085)	(77,843)	(51,622)	(42,944)
Cash and cash equivalents	(538)	(378)	(502)	(212)
Derivative instruments in designated hedge accounting relationships	(92)	-	-	-
Provisions	(2,517)	(5,426)	(132)	(144)
Financial guarantee contracts	(24)	(18)	-	-

NZ IFRS 7.8(a)

NZ IFRS 7.8(a)

NZ IFRS 7.8(b)

NZ IFRS 7.8(c)

NZ IFRS 7.8(d)

NZ IFRS 7.8(e)

NZ IFRS 7.8(e)

NZ IFRS 7.8(f)

Notes to the financial statements
for the year ended 31 December 2009



41. Financial instruments (continued)

41.2. Categories of financial instruments (continued)

Alternative two:

NZ IFRS 7.8

	Note	Held for trading NZ IFRS 7.8(a)	Designated as at FVTPL NZ IFRS 7.8(a)	Held-to- maturity investments NZ IFRS 7.8(b)	Loans and receivables NZ IFRS 7.8(c)	Available-for- sale financial assets NZ IFRS 7.8(d)	Financial liabilities at amortised cost NZ IFRS 7.8(f)	Cash and cash equivalents NZ IFRS 7.8(e)	Derivatives designated as hedging instruments NZ IFRS 7.8(g)	Provisions NZ IFRS 7.8(h)	Financial guarantee contracts NZ IFRS 7.8(i)	Investments in associates accounted for using the equity method NZ IFRS 7.8(j)	Total
		NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000
Assets													
Cash and bank balances	13	-	-	-	-	-	-	20,199	-	-	-	-	20,199
Trade and other receivables	14	-	-	-	18,490	-	-	-	-	-	-	-	18,490
Finance lease receivables	15.2	-	-	-	1,028	-	-	-	-	-	-	-	1,028
Investments in associates accounted for using the equity method	18	-	-	-	-	-	-	-	-	-	-	8,455	8,455
Other financial assets	16	-	-	6,863	3,637	8,110	-	-	528	-	-	-	19,138
Assets classified as held for sale	24.2	-	-	-	1,980	-	-	1,435	-	-	-	-	3,415
Total financial assets		-	-	6,863	25,135	8,110	-	21,634	528	-	-	8,455	70,725
Total non-financial assets													191,733
Total assets													262,458
Liabilities													
Bank overdrafts	13	-	-	-	-	-	-	538	-	-	-	-	538
Trade and other payables	29	-	-	-	-	-	16,312	-	-	-	-	-	16,312
Borrowings	30	-	-	-	-	-	54,519	-	-	-	-	-	54,519
Other financial liabilities	32	-	-	-	-	-	-	-	92	-	24	-	116
Provisions	33	-	-	-	-	-	-	-	-	2,517	-	-	2,517
Liabilities associated with assets classified as held for sale	24.2	-	-	-	-	-	3,254	-	-	-	-	-	3,254
Total financial liabilities		-	-	-	-	-	74,085	538	92	2,517	24	-	77,256
Total non-financial liabilities													13,972
Total liabilities													91,228

Notes to the financial statements
for the year ended 31 December 2009



41. Financial instruments (continued)

41.2. Categories of financial instruments (continued)

	Note	Held for trading NZ IFRS 7.8(a)	Designated as at FVTPL NZ IFRS 7.8(a)	Held-to-maturity investments NZ IFRS 7.8(b)	Loans and receivables NZ IFRS 7.8(c)	Available-for-sale financial assets NZ IFRS 7.8(d)	Financial liabilities at amortised cost NZ IFRS 7.8(f)	Cash and cash equivalents	Derivatives designated as hedging instruments	Provisions	Financial guarantee contracts	Investments in associates accounted for using the equity method	Total
		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Assets													
Cash and bank balances	13	-	-	-	-	-	-	19,778	-	-	-	-	19,778
Trade and other receivables	14	-	-	-	16,292	-	-	-	-	-	-	-	16,292
Finance lease receivables	15.2	-	-	-	905	-	-	-	-	-	-	-	905
Investments in associates accounted for using the equity method	18	-	-	-	-	-	-	-	-	-	-	7,269	7,269
Other financial assets	16	-	-	5,262	3,088	7,858	-	-	397	-	-	-	16,605
Total financial assets		-	-	5,262	20,285	7,858	-	19,778	397	-	-	7,269	60,849
Total non-financial assets													200,280
Total assets													261,129
Liabilities													
Bank overdrafts	13	-	-	-	-	-	-	378	-	-	-	-	378
Trade and other payables	29	-	-	-	-	-	21,143	-	-	-	-	-	21,143
Borrowings	30	-	-	-	-	-	56,700	-	-	-	-	-	56,700
Other financial liabilities	32	-	-	-	-	-	-	-	-	-	18	-	18
Provisions	33	-	-	-	-	-	-	-	-	5,426	-	-	5,426
Total financial liabilities		-	-	-	-	-	77,843	378	-	5,426	18	-	83,665
Total non-financial liabilities													10,119
Total liabilities													93,784

Notes to the financial statements
for the year ended 31 December 2009



41. Financial instruments (continued)

41.2. Categories of financial instruments (continued)

	Company 31 December 2009	Note	Held for trading NZ IFRS 7.8(a)	Designated as at FVTPL NZ IFRS 7.8(a)	Held-to-maturity investments NZ IFRS 7.8(b)	Loans and receivables NZ IFRS 7.8(c)	Available-for-sale financial assets NZ IFRS 7.8(d)	Financial liabilities at amortised cost NZ IFRS 7.8(f)	Cash and cash equivalents	Derivatives designated as hedging instruments	Provisions	Financial guarantee contracts	Investments carried at cost	Total
	NZ\$'000		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Assets														
Cash and bank balances	-	13	-	-	-	-	-	-	8,552	-	-	-	-	8,552
Trade and other receivables	-	14	-	-	-	16,443	-	-	-	-	-	-	-	16,443
Other financial assets	-	16	-	-	18	27,017	2,889	-	-	-	-	-	66,298	96,222
Total financial assets	-		-	-	18	43,460	2,889	-	8,552	-	-	-	66,298	121,217
Total non-financial assets														696
Total assets														121,913
Liabilities														
Bank overdrafts	-	13	-	-	-	-	-	-	502	-	-	-	-	502
Trade and other payables	-	29	-	-	-	-	-	2,798	-	-	-	-	-	2,798
Borrowings	-	30	-	-	-	-	-	48,824	-	-	-	-	-	48,824
Other financial liabilities	-	32	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	33	-	-	-	-	-	-	-	-	132	-	-	132
Total financial liabilities	-		-	-	-	-	-	-	502	-	132	-	-	52,256
Total non-financial liabilities														4,888
Total liabilities														57,144

Notes to the financial statements
for the year ended 31 December 2009



41. Financial instruments (continued)
41.2. Categories of financial instruments (continued)

Company 31 December 2008	Note	Held for trading NZ IFRS 7.8(a)	Designated as at FVTPL NZ IFRS 7.8(a)	Held-to-maturity investments NZ IFRS 7.8(b)	Loans and receivables NZ IFRS 7.8(c)	Available-for-sale financial assets NZ IFRS 7.8(d)	Financial liabilities at amortised cost NZ IFRS 7.8(f)	Cash and cash equivalents	Derivatives designated as hedging instruments	Provisions	Financial guarantee contracts	Investments carried at cost	Total
		NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Assets													
Cash and bank balances	13	-	-	-	-	-	-	6,681	-	-	-	-	6,681
Trade and other receivables	14	-	-	-	14,749	-	-	-	-	-	-	-	14,749
Other financial assets	16	-	-	208	30,035	2,762	-	-	-	-	-	66,298	99,303
Total financial assets		-	-	208	44,784	2,762	-	6,681	-	-	-	66,298	120,733
Total non-financial assets													783
Total assets													121,516
Liabilities													
Bank overdrafts	13	-	-	-	-	-	-	212	-	-	-	-	212
Trade and other	29	-	-	-	-	-	4,118	-	-	-	-	-	4,118
Borrowings	30	-	-	-	-	-	38,826	-	-	-	-	-	38,826
Other financial liabilities	32	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	33	-	-	-	-	-	-	-	-	144	-	-	144
Total financial liabilities		-	-	-	-	-	-	212	-	144	-	-	43,300
Total non-financial liabilities													4,643
Total liabilities													47,943



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.3. Financial assets and financial liabilities at fair value through profit or loss

Loans and receivables designated as at fair value through profit or loss

NZ IFRS 7.9(a)
NZ IFRS 7.9(c)
NZ IFRS 7.9(c)

Carrying amount of loans and receivables designated as at FVTPL	-	-	-	-
Cumulative changes in fair value attributable to changes in credit risk	-	-	-	-
Changes in fair value attributable to changes in credit risk recognised during the year	-	-	-	-

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Carrying amount of loans and receivables designated as at FVTPL	-	-	-	-
Cumulative changes in fair value attributable to changes in credit risk	-	-	-	-
Changes in fair value attributable to changes in credit risk recognised during the year	-	-	-	-

At the reporting date there are no significant concentrations of credit risk relating to loans and receivables at fair value through profit or loss. The carrying amount reflected above represents the Company's and the Group's maximum exposure to credit risk for such loans and receivables.

NZ IFRS 7.11(a)

The change in fair value attributable to change in credit risk is calculated as the difference between total change in fair value of \$[amount] and the risk in fair value due to change in market risk factors alone (\$[amount]). The change in the fair value due to market risk factors was calculated using [describe], holding credit risk margins constant. The total fair value was estimated by [describe].

NZ IFRS 7.11(b)

COMMENTARY

If the entity believes that the disclosure it has given to comply with the requirements in NZ IFRS 7 to disclose the amount of change, during the period and cumulatively, in the fair value of the financial asset that is attributable to changes in the credit risk of the financial asset does not faithfully represent the change in the fair value of the financial asset attributable to changes in its credit risk, it shall disclose the reasons for reaching this conclusion and the factors it believes are relevant.

Credit derivatives over loans and receivables at fair value

NZ IFRS 7.9(b)
NZ IFRS 7.9(d)
NZ IFRS 7.9(d)

Carrying amount	-	-	-	-
Cumulative changes in fair value since the loan or receivable was designated	-	-	-	-
Changes in fair value during the year	-	-	-	-

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Carrying amount	-	-	-	-
Cumulative changes in fair value since the loan or receivable was designated	-	-	-	-
Changes in fair value during the year	-	-	-	-

COMMENTARY

If the redeemable cumulative preference shares are designated as financial liabilities at FVTPL, the following additional information would be required:

Financial liabilities designated as at fair value through profit or loss

NZ IFRS 7.10(a)
NZ IFRS 7.10(a)

Cumulative changes in fair value attributable to changes in credit risk (i)	(5)	-	-	-
Changes in fair value attributable to changes in credit risk recognised during the year (i)	(5)	-	-	-

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Cumulative changes in fair value attributable to changes in credit risk (i)	(5)	-	-	-
Changes in fair value attributable to changes in credit risk recognised during the year (i)	(5)	-	-	-
Difference between carrying amount and maturity amount:				
Redeemable cumulative preference shares at fair value	14,950	-	-	-
Amount payable at maturity (undiscounted)	15,000	-	-	-
	(50)	-	-	-

NZ IFRS 7.10(b)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.3. Financial assets and financial liabilities at fair value through profit or loss (continued)

COMMENTARY

(i) The change in fair value attributable to change in credit risk is calculated as the difference between total change in fair value of redeemable cumulative preference shares of (\$50) and the change in fair value of redeemable cumulative preference shares due to change in market risk factors alone (\$45). The change in fair value due to market risk factors was calculated using benchmark interest yield curves as at the balance sheet date holding credit risk margin constant. The fair value of redeemable cumulative preference shares was estimated by discounting future cash flows using observable market benchmark interest yield curves as at balance sheet date and by obtaining lender quotes for borrowings of similar maturity to estimate credit risk margin.

If the entity believes that the disclosure it has given to comply with the requirements in NZ IFRS 7 to disclose the amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of the financial liability does not faithfully represent the change in the fair value of the financial liability attributable to changes in its credit risk, it shall disclose the reasons for reaching this conclusion and the factors it believes are relevant.

NZ IFRS 7.11(a)

NZ IFRS 7.11(b)

NZ IFRS 7.31,33(a),(b)

41.4. Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of interest rate and foreign currency exchange risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

NZ IFRS 7.33

NZ IFRS 7.22

41.5. Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see 41.7 below) and interest rates (see 41.8 below). The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk arising on the export of electronic equipment to North America and the purchase of raw materials from suppliers in North America and Europe;
- forward foreign exchange contracts to hedge the exchange rate risk arising on translation of the Group's investment in foreign operation Green Dot Toys Limited, which has the US dollar as its functional currency; and
- interest rate swaps to mitigate the risk of rising interest rates.

Market risk exposures are measured using value-at-risk (VaR) and are supplemented by sensitivity analysis.

NZ IFRS 7.33(c)

There has been no change during the year to the Group's exposure to market risks or the manner in which it manages and measures the risk.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.6. Value at risk (VaR) analysis

The VaR risk measure estimates the potential loss in pre-taxation profit over a given holding period for a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognising offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The one-day 99% VaR number used by the Group reflects the 99% probability that the daily loss will not exceed the reported VaR.

VaR methodologies employed to calculate daily risk numbers include the historical and variance-covariance approaches. In addition to these two methodologies, Monte Carlo simulations are applied to the various portfolios on a monthly basis to determine potential future exposure.

	Average		Minimum		Maximum		Year-end	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Historical VaR (99%, one-day) by risk type								
Foreign currency exchange	980	1,340	546	943	1,200	1,600	980	1,350
Interest rate	115	60	85	45	150	95	105	55
Diversification	(45)	(40)	-	-	-	-	(55)	(50)
	1,050	1,360					1,030	1,355

While VaR captures the Group's daily exposure to foreign currency exchange and interest rate risk, sensitivity analysis evaluates the impact of a reasonably possible change in interest or foreign currency exchange rates over a year. The longer time frame of sensitivity analysis complements VaR and helps the Group to assess its market risk exposures. Details of sensitivity analysis for foreign currency exchange risk are set out in note 41.7 below and, for interest rate risk, in note 41.8 below.

41.7. Foreign currency exchange risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities at 31 December are as follows:

Group	Liabilities		Assets	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
US Dollars	8,297	7,469	1,574	1,671
British pounds	186	135	-	-
Other	-	-	-	-

Company	Liabilities		Assets	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
US Dollars	-	-	-	-
British pounds	-	-	-	-
Other	-	-	-	-

NZ IFRS 7.41

NZ IFRS 7.33,34



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.7. Foreign currency exchange risk management (continued)

41.7.1. Foreign currency exchange sensitivity analysis

The Group is mainly exposed to the currency of the United States (USD) and the currency of Great Britain (GBP).

The following table details the Group's sensitivity to a 10% increase and decrease in the New Zealand dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency exchange rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit and other equity where the New Zealand dollar strengthens 10% against the respective foreign currency. For a 10% weakening of the dollar against the relevant currency, there would be a decrease in profit and other equity, and the balances below are negative.

NZ IFRS 7.40(b)
NZ IFRS 7.34(a)

NZ IFRS 7.40(a)

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Currency impact USD				
Profit or loss – strengthening in NZ\$ (i)	758	1,629	-	-
Profit or loss – weakening in NZ\$ (i)	(927)	(1,991)	-	-
Equity – strengthening in NZ\$ (ii)	875	1,120	-	-
Equity – weakening in NZ\$ (ii)	(1,069)	(1,369)	-	-
Currency impact GBP				
Profit or loss – strengthening in NZ\$ (iii)	17	12	-	-
Profit or loss – weakening in NZ\$ (iii)	(21)	(15)	-	-
Equity – strengthening in NZ\$ (iv)	64	63	-	-
Equity – weakening in NZ\$ (iv)	(78)	(77)	-	-

- (i) This is mainly attributable to the exposure outstanding on USD receivables and payables at year end.
- (ii) This is principally as a result of the changes in fair value of derivative instruments designated as cash flow hedges and hedges of net investments in foreign operations.
- (iii) This is mainly attributable to the exposure to outstanding GBP payables at the year end.
- (iv) This is principally as a result of the changes in fair value of derivative instruments designated as cash flow hedges.

NZ IFRS 7.33(c)

The Group's sensitivity to foreign currency has decreased during the current year mainly due to the disposal of USD investments and the reduction in USD sales in the last quarter of the year which has resulted in lower USD denominated trade receivables.

NZ IFRS 7.42

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the 31 December exposure does not reflect the exposure during the year because USD denominated sales are seasonal with lower sales volumes in the last quarter of the year, which results in a reduction in USD receivables at 31 December.

41.7.2. Forward foreign currency exchange contracts

NZ IFRS 7.22,33,34

It is the policy of the Group to enter into forward foreign currency exchange contracts to cover specific foreign currency payments and receipts within 70% to 80% of the exposure generated. The Group also enters into forward foreign currency exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 6 months within 40% to 50% of the exposure generated. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sale or purchase transaction takes place.



Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.7. Foreign currency exchange risk management (continued)

41.7.2. Foreign currency exchange contracts (continued)

In the current year, the Group has designated certain forward contracts as a hedge of its net investment in Green Dot Toys Limited, which has USD as its functional currency. The Group's policy has been reviewed and, due to the increased volatility in USD, it was decided to hedge up to 50% of the net assets of Green Dot Toys Limited for forward foreign currency exchange risk arising on translation of the foreign operation. The Group utilises a rollover hedging strategy, using contracts with terms of up to 6 months. Upon the maturity of a forward contract, the Group enters into a new contract designated as a separate hedging relationship.

The following table details the forward foreign currency exchange (FC) contracts outstanding as at 31 December:

Group	Average exchange rate		Foreign currency		Contract value		Fair value	
	2009	2008	2009	2008	2009	2008	2009	2008
	FC'000	FC'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Cash flow hedges								
Buy USD								
Less than 3 months	0.770	0.768	2,493	2,010	3,238	2,617	152	110
3 to 6 months	0.768	0.750	1,974	1,958	2,570	2,611	92	34
Sell USD								
Less than 3 months	0.780	0.769	982	1,028	1,259	1,337	(70)	26
Buy GBP								
Less than 3 months	0.530	0.543	79	127	149	234	(5)	50
Net investment hedge								
Sell USD								
3 to 6 months	0.763	-	1,000	-	1,311	-	(12)	-
							157	220

Company	Average exchange rate		Foreign currency		Contract value		Fair value	
	2009	2008	2009	2008	2009	2008	2009	2008
	FC'000	FC'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
[describe]	-	-	-	-	-	-	-	-

COMMENTARY

The table above provides an *example* of summary quantitative data about exposure to foreign currency exchange risks at 31 December that an entity may provide internally to key management personnel.

The Group has entered into contracts to supply electronic equipment to customers in North America. The Group has entered into forward foreign currency exchange contracts (for terms not exceeding 3 months) to hedge the exchange rate risk arising from these anticipated future transactions, which are designated as cash flow hedges.

As at 31 December, the aggregate amount of unrealised losses under forward foreign exchange contracts deferred in the hedging reserve relating to the exposure on these anticipated future transactions is \$70,000 (2008: unrealised gains of \$26,000). It is anticipated that the sales will take place during the first 3 months of the next financial year at which stage the amount deferred in equity will be released into profit or loss.

At the start of the third quarter of 2009, the Group reduced its forecasts on sales of electronic equipment to North America due to increased local competition and higher shipping costs. The Group had previously hedged \$1.1 million of future sales of which \$0.1 million are no longer expected to occur, and \$1.0 million remain highly probable. Accordingly, the Group has recycled \$3,000 of gains on forward foreign currency exchange contracts relating to forecast transactions that are no longer expected to occur from the hedging reserve into profit or loss.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.7. Foreign currency exchange risk management (continued)

41.7.2. Foreign currency exchange contracts (continued)

NZ IFRS 7.22

The Group has entered into contracts to purchase raw materials from suppliers in North America and Europe. The Group has entered into forward foreign currency exchange contracts (for terms not exceeding 6 months) to hedge the exchange rate risk arising from these anticipated future purchases, which are designated as cash flow hedges.

NZ IFRS 7.23(a)

As at 31 December, the aggregate amount of unrealised gains under forward foreign currency exchange contracts deferred in the hedging reserve relating to these anticipated future purchase transactions is \$0.2 million (2008: unrealised gains of \$0.2 million). It is anticipated that the purchases will take place during the first 6 months of the next year at which stage the amount deferred in equity will be included in the carrying amount of the raw materials. It is anticipated that the raw materials will be converted into inventory and sold within 12 months after purchase at which stage the amount deferred in equity will impact profit or loss.

NZ IFRS 7.33,34

41.8. Interest rate risk management

The Company and Group are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

The Company and Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

41.8.1. Interest rate sensitivity analysis

NZ IFRS 7.34(a),40(b)

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at 31 December. For floating rate liabilities and assets, the analysis is prepared assuming the exposure outstanding at 31 December was outstanding for the whole year. For interest rate swap contracts the analysis is prepared assuming that the interest rate swap contracts are revalued to fair value at 31 December, and that the 31 December contracts were in place for the whole year.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

NZ IFRS 7.40(a)

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

- profit for the year ended 31 December would increase/decrease by \$48,000 (2008: increase/decrease by \$50,000). This is mainly attributable to the Group's exposure to interest rates on its cash deposits and floating rate borrowings; and
- other equity reserves would increase/decrease by \$67,000 (2008: increase/decrease by \$32,000) mainly as a result of the Group's exposure to interest rates on interest rate swaps designated as cash flow hedges.

NZ IFRS 7.33(c)

The Group's sensitivity to interest rates has changed during the current year mainly due to the reduction in floating rate debt instruments, the increase in cash deposits and the longer term interest rate swaps.

NZ IFRS 7.40(a)

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's:

- Profit for the year ended 31 December would increase/decrease by \$nil (2008: decrease/increase by \$14,000), . This is mainly attributable to the company's exposure to interest rates on its floating rate borrowings and cash deposits; and
- other equity reserves would increase/decrease by \$11,000 (2008: increase/decrease by \$11,000) mainly as a result of the changes in fair value of available-for-sale fixed rate instruments.

NZ IFRS 7.33 (c)

The Company's sensitivity to interest rates has decreased during the current year mainly due to the reduction in floating rate debt instruments and the increase in cash deposits.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.8. Interest rate risk management (continued)

41.8.2. Interest rate swap contracts

NZ IFRS 7.22,33,34

Under 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 the fair value of issued fixed rate debt and the cash flow exposures on the issued floating rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at 31 December.

NZ IFRS 7.23(a)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at 31 December:

Cash flow hedges

Outstanding receive floating pay fixed contracts

Group	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2009	2008	2009	2008	2009	2008
	%	%	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Less than 1 year	7.45	6.75	1,000	4,000	72	37
1 to 2 years	7.15	7.05	2,000	1,620	55	47
2 to 5 years	6.75	6.50	3,000	1,359	130	93
5 years +	7.05	-	1,000	-	27	-
			7,000	6,979	284	177

Company	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2009	2008	2009	2008	2009	2008
	%	%	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
[describe]	-	-	-	-	-	-

COMMENTARY

The table above provides an *example* of summary quantitative data about exposure to interest rate risks at 31 December that an entity may provide internally to key management personnel.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in New Zealand. The Group will settle the difference between the fixed and floating interest rate on a net basis.

NZ IFRS 7.34(a)

NZ IFRS 7.22,23(a)

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from floating interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on debt impact profit or loss.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.8. Interest rate risk management (continued)

41.8.2. Interest rate swap contracts (continued)

Fair value hedges

Outstanding receive fixed pay floating contracts

Group	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2009 %	2008 %	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Less than 1 year	8.15	-	3,701	-	(5)	-
[describe]	-	-	-	-	-	-
			3,701	-	(5)	-

Company	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2009 %	2008 %	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
[describe]						

COMMENTARY

The table above provides an *example* of summary quantitative data about exposure to interest rate risks at 31 December that an entity may provide internally to key management personnel.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in New Zealand. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Interest rate swap contracts exchanging fixed rate interest for floating rate interest are designated and effective as fair value hedges in respect of interest rates. During the year, the hedge was 100% effective in hedging the fair value exposure to interest rate movements and as a result the carrying amount of the loan was adjusted by \$5,000 which was included in profit or loss at the same time that the fair value of the interest rate swap was included in profit or loss.

COMMENTARY

If redeemable cumulative preference shares are designated as financial liabilities at FVTPL (and if an interest rate swap is outstanding to economically hedge fair value interest rate risk), the following additional information would be required.

Outstanding receive fixed pay floating contracts

Held for trading interest rate swaps	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2009 %	2008 %	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
1 to 2 years	7.5	-	15,000	-	(50)	-
			15,000	-	(50)	-

The table above provides an *example* of summary quantitative data about exposure to interest rate risks at 31 December that an entity may provide internally to key management personnel.

NZ IFRS 7.34(a)

NZ IFRS 7.24(a)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.9. Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

41.9.1. Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at 31 December.

If equity prices had been 5% higher/lower, the Group's:

- profit for the year ended 31 December would have been unaffected as the equity investments are classified as available-for-sale and no investments were disposed of or impaired; and
- other equity reserves would increase/decrease by \$207,000 (2008: increase/decrease by \$201,000) as a result of the changes in fair value of available-for-sale shares.

The Group's sensitivity to equity prices has not changed significantly from the prior year.

If equity prices had been 5% higher/lower, the Company's:

- profit for the year ended 31 December would have been unaffected as the equity investments are classified as available-for-sale and no investments were disposed of or impaired; and
- other equity reserves would increase/decrease by \$24,000 (2008: increase/decrease by \$22,000) as a result of the changes in fair value of available-for-sale shares.

The Company's sensitivity to equity prices has not changed significantly from the prior year.

41.10. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained:

Financial assets and other credit exposures

	Maximum credit risk	
	2009 NZ\$'000	2008 NZ\$'000
Group		
Guarantee provided by a subsidiary to secure financing for a sister company controlled by the Group's overseas parent	18,000	15,000
Guarantee provided to bank on a jointly controlled entity's loan	-	-
Other [describe]	-	-
Company		
Guarantee provided to bank on subsidiary's performance	-	-
Other [describe]	-	-

NZ IFRS 7.33,34

NZ IFRS 7.40(b)

NZ IFRS 7.40(a)

NZ IFRS 7.33(c)

NZ IFRS 7.40(a)

NZ IFRS 7.33(c)

NZ IFRS 7.33,34,36

NZ IFRS 7.33(a),(b)

NZ IFRS 7.33(a),(b)

NZ IFRS 7.34(c),B8

NZ IFRS 7.36(a),B9

NZ IFRS 7.B10

NZ IFRS 7.B10

NZ IFRS 7.B10



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.11. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 45.2 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

41.11.1. Liquidity and interest risk tables

Non-derivative financial liabilities

The following tables detail the Company and Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company and Group can be required to pay. The tables include both interest and principal cash flows. The 'adjustment' column reconciles the undiscounted cash flows to the total carrying amount recognised at 31 December. To the extent that interest flows are at floating rates, the undiscounted cash flows are derived from interest rate curves at 31 December.

COMMENTARY

The tables below include the weighted average effective interest rates, contractual undiscounted cash flows and a reconciliation to the carrying amount in the statement of financial position as an *example* of summary quantitative data about exposure to interest rates and liquidity risk at 31 December that an entity may provide internally to key management personnel.

NZ IFRS 7.34(a),39(a)

NZ IFRS 7.34(a),39(a)

Group	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Adjust- ment	Total
	%	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
2009								
Non-interest bearing	-	12,589	9,408	-	1,101	-	-	23,098
Finance lease liability	7.95	1	2	7	6	-	(2)	14
Floating interest rates	8.18	1,055	339	3,136	6,890	6,545	(2,445)	15,520
Fixed interest rates	7.56	1,573	4,825	12,389	24,646	1,715	(6,548)	38,600
Financial guarantee contracts (i)	-	18,000	-	-	-	-	(17,976)	24
		33,218	14,574	15,532	32,643	8,260	(26,971)	77,256
2008								
Non-interest bearing	-	11,181	13,157	-	2,231	-	-	26,569
Finance lease liability	7.90	5	10	43	44	-	(13)	89
Floating interest rates	8.08	7,099	1,409	7,045	7,908	-	(5,679)	17,782
Fixed interest rates	8.03	2,156	6,129	7,238	32,068	-	(8,384)	39,207
Financial guarantee contracts (i)	-	15,000	-	-	-	-	(14,982)	18
		35,441	20,705	14,326	42,251	-	(29,058)	83,665



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.11. Liquidity risk management (continued)

41.11.1. Liquidity and interest risk tables (continued)

Non-derivative financial liabilities (continued)

Company	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Adjust- ment	Total
	%	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
2009								
Non-interest bearing	-	467	2,364	79	20	-	-	2,930
Finance lease liability	-	-	-	-	-	-	-	-
Floating interest rates	8.29	664	169	743	6,102	1,926	(1,102)	8,502
Fixed interest rates	7.52	16,978	1,968	4,220	21,764	1,715	(5,821)	40,824
Financial guarantee contracts (i)	-	-	-	-	-	-	-	-
		18,109	4,501	5,042	27,886	3,641	(6,923)	52,256
2008								
Non-interest bearing	-	1,153	2,999	110	-	-	-	4,262
Finance lease liability	-	-	-	-	-	-	-	-
Floating interest rates	8.18	6,680	253	4,774	-	-	(1,995)	9,712
Fixed interest rates	8.10	20,169	2,351	9,649	-	-	(2,843)	29,326
Financial guarantee contracts (i)	-	-	-	-	-	-	-	-
		28,002	5,603	14,533	-	-	(4,838)	43,300

(i) At 31 December it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the amount recognised in these financial statements is \$24,000 (2008: \$18,000). Further details are provided in note 41.10 above.

The principal amount of financial liabilities where the counterparty has no right to repayment of the principal (perpetual notes) are excluded from the table above, as are the related interest payments beyond 20 years from the end of the reporting period.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.11. Liquidity risk management (continued)

41.11.1. Liquidity and interest risk tables (continued)

Non-derivative financial assets

NZ IFRS 7.39

NZ IFRS 7.34(a),35,39(c)

The following tables detail the Company and Group's expected maturity for non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of the financial assets based on contractual maturities except where the Company and Group anticipate that the cash flow will occur in a different period. The tables include both interest and principal cash flows. The 'adjustment' column reconciles the undiscounted cash flows to the total carrying amount recognised at 31 December. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company and Group's liquidity risk management, as liquidity is managed on a net asset and liability basis.

NZ IFRS 7.34(a)

COMMENTARY

The tables below include the weighted average effective interest rates, contractual undiscounted cash flows and a reconciliation to the carrying amount in the statement of financial position as an *example* of summary quantitative data about exposure to interest rates at 31 December that an entity may provide internally to key management personnel.

NZ IFRS 7.39(c)

Group	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Adjustment	Total
	%	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
2009								
Non-interest bearing	-	25,534	9,426	941	-	-	-	35,901
Floating interest rates	5.75	20,395	1,367	3,944	2,132	-	(379)	27,459
Fixed interest rates	7.38	42	1,144	3,373	3,538	-	(732)	7,365
		45,971	11,937	8,258	5,670	-	(1,111)	70,725
2008								
Non-interest bearing	-	21,308	8,516	248	-	-	-	30,072
Floating interest rates	4.83	16,732	1,125	5,204	1,911	-	(310)	24,662
Fixed interest rates	7.00	55	1,210	2,795	2,847	-	(792)	6,115
		38,095	10,851	8,247	4,758	-	(1,102)	60,849
Company	Weighted average effective interest rate	Less than 1 month	1-3 to months	3 months to 1 year	1-5 years	5+ years	Adjustment	Total
	%	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
2009								
Non-interest bearing	-	75,203	8,219	8	-	-	-	83,430
Floating interest rates	7.28	8,552	-	18	-	-	-	8,570
Fixed interest rates	7.53	203	1,968	663	28,135	-	(1,752)	29,217
		83,958	10,187	689	28,135	-	(1,752)	121,217
2008								
Non-interest bearing	-	74,305	7,370	12	-	-	-	81,687
Floating interest rates	7.45	6,681	100	108	-	-	-	6,889
Fixed interest rates	7.00	252	2,178	379	33,448	-	(4,100)	32,157
		81,238	9,648	499	33,448	-	(4,100)	120,733

NZIFRS 7.B10A

The amounts included in the tables above, for floating interest rate instruments for both non-derivative financial assets and financial liabilities is subject to change if changes in floating interest rates differ to the estimates of interest rates determined at the end of the reporting period.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.11. Liquidity risk management (continued)

41.11.1. Liquidity and interest risk tables (continued)

Non-derivative financial assets (continued)

The Group has access to financing facilities, the total unused amount of which is \$10.2 million at 31 December (2008: \$12.6 million) (Company: \$2.5 million (2008: \$3.8 million)) (note 45.2). The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets. The Group expects to maintain the current debt to equity ratio, within the 20-25% limit. This will be achieved through the issue of new debt and the increased use of secured bank loan facilities.

Derivative financial instruments

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instruments that settle on a net basis and the undiscounted gross inflows/(outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
2009					
<i>Net settled:</i>					
Interest rate swaps	11	50	205	302	121
Forward foreign exchange contracts	(5)	(21)	13	-	-
<i>Gross settled:</i>					
Forward foreign exchange contracts - receipts	112	138	-	-	-
Forward foreign exchange contracts - payments	(100)	(103)	-	-	-
Currency swaps - receipts	-	-	-	-	-
Currency swaps - payments	-	-	-	-	-
	18	64	218	302	121

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
2008					
<i>Net settled:</i>					
Interest rate swaps	7	18	22	160	-
Forward foreign exchange contracts	10	15	9	-	-
<i>Gross settled:</i>					
Forward foreign exchange contracts - receipts	165	235	81	-	-
Forward foreign exchange contracts - payments	(100)	(103)	(60)	-	-
Currency swaps - receipts	-	-	-	-	-
Currency swaps - payments	-	-	-	-	-
	82	165	52	160	-

The Company does not hold any derivative financial instruments (2008: \$nil).

COMMENTARY

An entity shall disclose a maturity analysis for derivative financial liabilities. That analysis shall show the remaining contractual maturities for derivative financial liabilities if the contractual maturities are essential for an understanding of the timing of the cash flows.

NZ IFRS 7.39(b), B11B



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.12. Fair value of financial instruments

41.12.1. Valuation techniques

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices. Financial assets in this category include listed redeemable notes, bills of exchange and debentures. Financial liabilities include bills of exchange and perpetual notes;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments;
- the fair value of derivative instruments is calculated using quoted market prices where available. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Forward foreign exchange contracts are measured using observable market forward exchange rates and yield curves derived from observable market interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from observable market interest rates; and
- the fair value of financial guarantee contracts is determined using option pricing models where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

41.12.2. Fair value of financial instruments carried at amortised cost

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

Group	Carrying amount	Fair value	Carrying amount	Fair value
	2009 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	2008 NZ\$'000
Financial assets				
Loans and receivables				
[Describe]	-	-	-	-
Held-to-maturity investments				
Bills of exchange (note 16)	6,363	6,370	5,262	5,263
Debentures (note 16)	500	502	-	-
Financial liabilities				
Borrowings				
Bills of exchange (note 30)	358	360	916	920
Redeemable cumulative preference shares (note 30)	15,000	14,950	-	-
Convertible notes (note 30)	4,144	4,150	-	-
Perpetual notes (note 30)	1,905	2,500	-	-
Loans from other related parties (note 30)	12,917	12,976	34,124	29,900
Loans from other entities (note 30)	4,276	4,251	4,167	4,086

NZ IFRS 7.27

NZ IFRS 7.25,29(a)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.12. Fair value of financial instruments (continued)

41.12.2. Fair value of financial instruments carried at amortised cost (continued)

Company	Carrying amount	Fair value	Carrying amount	Fair value
	2009 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	2008 NZ\$'000
Financial assets				
Loans and receivables				
[Describe]	-	-	-	-
Held-to-maturity investments				
[Describe]	-	-	-	-
Financial liabilities				
Borrowings				
Redeemable cumulative preference shares (note 30)	15,000	14,950	-	-
Convertible notes (note 30)	4,144	4,150	-	-
Perpetual notes (note 30)	1,905	2,500	-	-
Loans from other related parties (note 30)	74	70	6,302	5,985
Loans from other entities (note 30)	3,695	3,503	3,100	2,886

COMMENTARY

For each class of financial assets, an entity shall disclose the fair value of that class of asset in a way that permits it to be compared with its carrying amount except for:

- when the carrying amount is a reasonable approximation of fair value;
- an investment in equity instruments that do not have a quoted market price in an active market; and
- for a contract containing a discretionary participation feature.

If (b) or (c) above applies, certain additional information is required, to assist users, as outlined in NZ IFRS 7.30.

41.12.3. Assumptions used in determining fair value of financial assets and liabilities

Redeemable cumulative preference shares and loans from other entities

The interest rate used to discount cash flows was 7.43% based on the observable market swap rate for an 18 month loan of 7.15% and based on [observable risk margins for entities with similar credit risk margins / holding credit risk margin constant].

Convertible notes

The fair value of the liability component of convertible notes is determined assuming redemption on 1 September 2012 and using a 7.95% interest rate based on an observable market swap rate of 6.8% for a 32 month loan and based on [observable risk margins for entities with similar credit risk margins / holding credit risk margin constant].

Loans from other related parties

The interest rate used to discount cash flows was 7.18% based on the observable market swap rate for a 12 month loan of 6.85% and based on [observable risk margins for entities with similar credit risk margins / holding credit risk margin constant].

Unlisted shares

The financial statements include holdings in unlisted shares which are measured at fair value (note 16). Fair value is estimated using a discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates. In determining the fair value, an earnings growth factor of 5.2% (2008: 4.9%) and a risk adjusted discount factor of 12.2% (2008: 11.9%) are used. If these inputs to the valuation model were 10% higher/lower while all the other variables were held constant, the carrying amount of the shares would decrease/increase by \$7,000 (2008: decrease/increase by \$8,000).

NZ IFRS 7.25,29

NZ IFRS 7.30

NZ IFRS 7.27

NZ IFRS 7.27B(e)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.12. Fair value of financial instruments (continued)

41.12.4. Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

NZ IFRS 7.27B(a)

Group	2009			
	Level 1 NZ\$'000	Level 2 NZ\$'000	Level 3 NZ\$'000	Total NZ\$'000
Financial assets at FVTPL				
Derivative financial assets	-	528	-	528
Available-for-sale financial assets				
Redeemable notes	2,200	-	-	2,200
Shares	-	-	5,910	5,910
	2,200	528	5,910	8,638
Financial liabilities at FVTPL				
Derivative financial liabilities	-	(92)	-	(92)
	-	(92)	-	(92)

NZ IFRS 7.27B(a)

NZ IFRS 7.27B(a)

NZ IFRS 7.27B(a)

NZ IFRS 7.27B(a)

Company	2009			
	Level 1 NZ\$'000	Level 2 NZ\$'000	Level 3 NZ\$'000	Total NZ\$'000
Financial assets at FVTPL				
Derivative financial assets	-	-	-	-
Available-for-sale financial assets				
Redeemable notes	2,200	-	-	2,200
Shares	-	-	689	689
	2,200	-	689	2,889
Financial liabilities at FVTPL				
Derivative financial liabilities	-	-	-	-
	-	-	-	-

NZ IFRS 7.27B(a)

NZ IFRS 7.27B(a)

NZ IFRS 7.27B(a)

NZ IFRS 7.27B(a)

NZ IFRS 7.27B(b)

There were no transfers between Level 1 and 2 in the period.

NZ IFRS 7.27B(b)

COMMENTARY

For fair value measurements recognised in the statement of financial position an entity shall disclose, for each class of financial instruments, any significant transfers between Level 1 and Level 2, and the reasons. Transfers into each level shall be disclosed and discussed separately from transfers out of each level. Significance shall be judged with respect to profit or loss, and total assets or total liabilities.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

41. Financial instruments (continued)

41.12. Fair value of financial instruments (continued)

41.12.5. Reconciliation of Level 3 fair value measurements of financial assets

NZ IFRS 7.27B(c)

	Group	Company
	2009	2008
	NZ\$'000	NZ\$'000
Shares		
Balance at beginning of the year	5,736	640
Gains/(losses) recognised in profit or loss [describe where]	-	-
Gains/(losses) recognised in other comprehensive income	94	31
Purchases	80	18
Sales	-	-
Issues	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Balance at end of the year	5,910	689

NZ IFRS 7.27B(c)

Shares

NZ IFRS 7.27B(c)

Balance at beginning of the year

NZ IFRS 7.27B(c)

Gains/(losses) recognised in profit or loss [describe where]

NZ IFRS 7.27B(c)

Gains/(losses) recognised in other comprehensive income

NZ IFRS 7.27B(c)

Purchases

NZ IFRS 7.27B(c)

Sales

NZ IFRS 7.27B(c)

Issues

NZ IFRS 7.27B(c)

Settlements

NZ IFRS 7.27B(c)

Transfers into Level 3

NZ IFRS 7.27B(c)

Transfers out of Level 3

NZ IFRS 7.27B(c)

NZ IFRS 7.27B(c)

Balance at end of the year

NZ IFRS 7.27B(d)

Of the total gains or losses for the period included in profit or loss \$nil relates to assets and liabilities held at the end of the reporting period. Fair value gains or losses on those assets and liabilities are included in [other income and other expenses] in the [income statement/statement of comprehensive income]. All gain and losses included in other comprehensive income relate to shares held at the end of the reporting period and are reported as a gain on revaluation of available-for-sale financial assets.

COMMENTARY

NZ IFRS 7.27B(c)

Reasons for transfers into or out of Level 3 shall be disclosed. For significant transfers, transfers into Level 3 shall be disclosed separately from transfers out.

NZ IFRS 2.44

42. Share based payments

NZ IFRS 2.45(a)

Employee share option plan

The Group has an ownership-based compensation scheme for executives and senior employees of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees with more than five years service with the Group may be granted options to purchase ordinary shares at an exercise price of \$1.00 per ordinary share.

Each employee share option converts into one ordinary share of Green Dot Holdings Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The options granted expire within twelve months of their issue, or one month of the resignation of the executive or senior employee, whichever is the earlier.

NZ IFRS 2.45(a)

The following share-based payment arrangements were in existence during the current and comparative years:

Option series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
				\$	\$
(1) Issued 31 March 2008 (*)	140,000	31/03/08	31/03/09	1.00	1.15
(2) Issued 30 September 2008 (*)	150,000	30/09/08	29/09/09	1.00	1.18
(3) Issued 31 March 2009 (*)	160,000	31/03/09	30/03/10	1.00	1.20
(4) Issued 29 September 2009 (**)	60,000	29/09/09	28/09/10	1.00	1.05

(*) In accordance with the terms of the share-based arrangement, options issued during the financial year ended 31 December 2008, and on 31 March 2009, vest at the date of their issue.

(**) In accordance with the terms of the share-based arrangement, options issued on 29 September 2009 will vest after a one year service period if the share price of International Group Holdings Limited, as quoted on the New Zealand Stock Exchange, exceeds \$4. These options are exercisable on the vesting date.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IFRS 2.44

42. Share based payments (continued)

NZ IFRS 2.46,47(a)

The weighted average fair value of the share options granted during the financial year is \$1.16 (2008: \$1.17). Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. To allow for the effects of early exercise, it was assumed that executives and senior employees would exercise the options after vesting date when the share price was two and a half times the exercise price.

Inputs into the model

NZ IFRS 2.47(a)

Grant date share price

NZ IFRS 2.47(a)

Exercise price

NZ IFRS 2.47(a)

Expected volatility

NZ IFRS 2.47(a)

Option life

NZ IFRS 2.47(a)

Dividend yield

NZ IFRS 2.47(a)

Risk-free interest rate

NZ IFRS 2.47(a)

Other [describe]

NZ IFRS 2.45(b)

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and end of the year:

NZ IFRS 2.45(b)

Balance at 1 January

NZ IFRS 2.45(b)

Granted during the year

NZ IFRS 2.45(b)

Forfeited during the year

NZ IFRS 2.45(b)

Exercised during the year

NZ IFRS 2.45(b)

Expired during the year

NZ IFRS 2.45(b)

Balance at 31 December

NZ IFRS 2.45(b)

Exercisable at 31 December

NZ IFRS 2.45(c)

The following share options granted under the employee share option plan were exercised during the financial year:

	Option series			
	Series 1	Series 2	Series 3	Series 4
Grant date share price	2.64	2.67	2.69	2.53
Exercise price	1.00	1.00	1.00	1.00
Expected volatility	15.20%	15.40%	13.10%	13.50%
Option life	1 year	1 year	1 year	1 year
Dividend yield	13.27%	13.12%	13.00%	13.81%
Risk-free interest rate	5.13%	5.14%	5.50%	5.45%
Other [describe]	-	-	-	-

	Options	Weighted average exercise price	Options	Weighted average exercise price
	2009 Number	2009 \$	2008 Number	2008 \$
Balance at 1 January	290,000	1.00	-	-
Granted during the year	220,000	1.00	290,000	1.00
Forfeited during the year	-	-	-	-
Exercised during the year	(314,000)	1.00	-	-
Expired during the year	-	-	-	-
Balance at 31 December	196,000	1.00	290,000	1.00
Exercisable at 31 December	136,000	1.00	290,000	1.00

Options series	Exercised	Exercise date	Share price at exercise date
	2009 Number	2009	2009 \$
(1) Issued 31 March 2008	30,000	05/01/09	2.50
(1) Issued 31 March 2008	45,000	31/01/09	2.25
(1) Issued 31 March 2008	65,000	15/03/09	2.75
(2) Issued 30 September 2008	65,000	03/07/09	2.95
(2) Issued 30 September 2008	85,000	28/08/09	3.15
(3) Issued 31 March 2009	24,000	20/12/09	3.50
	314,000		



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IFRS 2.44

42. Share based payments (continued)

Options series	Exercised	Exercise date	Share price at exercise date
	2008 Number	2008	2008 \$
[describe option series]	-	-	-

Balance at 31 December

NZ IFRS 2.45(d)

The share options outstanding at 31 December had an exercise price of \$1.00 (2008: \$1.00), and a weighted average remaining contractual life of 145 days (2008: 184 days).

Expense recognised

The expense recognised by the Group and Company in the current reporting period is \$0.2 million (2008: \$0.3 million) (note 11.6).

NZ IFRS 2.44,48

Issue of shares for consulting services

The Group (and Company) issued 3,000 ordinary shares as consideration for consulting services received during the year (2008: nil). The Group recognised \$8,000 expense (2008: \$nil) for the consulting services. The fair value of the shares issued was determined by reference to the market rate for similar consulting services.

43. Related party transactions

NZ IAS 24.12
NZ IAS 1.138(c)

The immediate parent and ultimate controlling party respectively of the Group are Green Dot Overseas Limited (incorporated in Australia) and Ultimate Green Dot Holdings Limited (incorporated in Great Britain).

43.1. Equity interests in related parties

Details of interests in subsidiaries, associates and joint ventures are disclosed in notes 17, 18 and 19 respectively.

NZ IAS 24.17,18

43.2. Transactions involving the parent entity

During the year, Green Dot Holdings Limited recognised a net receivable of \$3.6 million (2008: \$3.6 million) from its wholly-owned subsidiaries for their tax payable for the current year.

During the year, Green Dot Holdings Limited received dividends of \$8.9 million (2008: \$11.0 million) from its subsidiaries.

Green Dot Holdings Limited provided accounting and administration services totalling \$120,000 (2008: \$80,000) to its subsidiaries for no consideration.

Green Dot Holdings Limited received interest income of \$1.7 million (2008: \$1.2 million) from its subsidiaries on its intercompany loan receivables. The weighted average interest rate on the loans is 8.00% (2008: 8.00%). Interest is receivable on the last business day of each month.

Green Dot Holdings Limited made interest payments of \$1.0 million (2008: \$1.0 million) to its subsidiaries and interest payments of \$25,000 to its parent entity. The weighted average interest rate on the loans is 8.10% (2008: 8.06%). Interest is payable on the last business day of each month.

During the year Green Dot Holdings Limited contributed \$25,000 (2008: \$25,000) to its defined contribution plan.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IFRS 2.44

43. Related party transactions (continued)

43.3. Trading transactions

NZ IAS 24.17,18

During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:

Group	Sales of Goods		Purchases of Goods	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
NZ IAS 24.17,18(a) Green Dot Overseas Limited	693	582	439	427
NZ IAS 24.17,18(g) Subsidiaries of Ultimate Green Dot Holdings Limited	1,289	981	897	883
NZ IAS 24.17,18(d) Associates	398	291	-	-
NZ IAS 24.17,18(f) Key management personnel	-	-	-	-
NZ IAS 24.17,18(e) Joint venture entity	-	-	-	-
NZ IAS 24.17,18(g) Other [describe]	-	-	-	-

Group	Amounts owed by related parties		Amounts owed to related parties	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
NZ IAS 24.17,18(a) Green Dot Overseas Limited	209	197	231	139
NZ IAS 24.17,18(g) Subsidiaries of Ultimate Green Dot Holdings Limited	398	293	149	78
NZ IAS 24.17,18(d) Associates	29	142	-	-
NZ IAS 24.17,18(f) Key management personnel	-	-	-	-
NZ IAS 24.17,18(e) Joint venture entity	-	-	-	-
NZ IAS 24.17,18(g) Other [describe]	-	-	-	-

NZ IAS 24.21

Sales of goods to related parties were made at the Group's usual list prices, less average discounts of 5%. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

NZ IAS 24.17(b),(c),(d)

The amounts outstanding are unsecured, on normal trade terms and will be settled in cash. No guarantees have been given or received. No expense or provision has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

COMMENTARY

NZ IAS 24.21

Disclosures that related party transactions were made on arms length terms are made only if such terms can be substantiated.

NZ IAS 24.17,18

43.4. Loans to/from related parties

Group	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Loans to related parties						
NZ IAS 24.17,18(c) Subsidiaries	-	-	-	24,597	30,035	30,457
Other related parties:						
NZ IAS 24.17,18(a) Green Dot Overseas Limited	-	-	-	-	-	-
NZ IAS 24.17,18(g) Subsidiaries of Ultimate Green Dot Holdings Limited	-	-	-	-	-	-
NZ IAS 24.17,18(d) Associates	-	-	-	-	-	-
NZ IAS 24.17,18(f) Key management personnel	3,411	105	-	1,996	-	4,070
NZ IAS 24.17,18(e) Joint venture entity	226	2,983	355	424	-	-
NZ IAS 24.17,18(g) Other [describe]	-	-	-	-	-	-
	3,637	3,088	355	27,017	30,035	34,527



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IFRS 2.44

43. Related party transactions (continued)

43.4. Loans to/from related parties (continued)

NZ IAS 24.17,18(c)

NZ IAS 24.17,18(a)

NZ IAS 24.17,18(g)

NZ IAS 24.17,18(d)

NZ IAS 24.17,18(f)

NZ IAS 24.17,18(e)

NZ IAS 24.17,18(g)

	Group			Company	
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	1 Jan 2008 NZ\$'000
Loans from related parties					
Subsidiaries	-	-	-	(16,006)	(19,924)
Other related parties:					
Green Dot Overseas Limited	(11,953)	(33,409)	(30,395)	(74)	(6,302)
Subsidiaries of Ultimate Green Dot Holdings Limited	(964)	(715)	(500)	-	-
Associates	-	-	-	-	-
Key management personnel	-	-	-	-	-
Joint venture entity	-	-	-	-	-
Other [describe]	-	-	-	-	-
	(12,917)	(34,124)	(30,895)	(16,080)	(26,226)
					(23,307)

The Group has provided several of its key management personnel and a joint venture entity with short-term loans. The weighted average interest rate on the loans is 8.05% (2008: 8.02%) (Company: 8.05% (2008: n/a)). Interest is payable on the last business day of each month.

43.5. Compensation of key management personnel

NZ IAS 24.16

The remuneration of directors and other members of key management during the year was as follows:

NZ IAS 24.16

NZ IAS 24.16

NZ IAS 24.16

NZ IAS 24.16

NZ IAS 24.16

NZ IAS 24.16

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Short-term benefits	1,368	1,027	951	862
Post-employment benefits	160	139	-	-
Other long-term benefits	115	176	67	58
Termination benefits	-	-	-	-
Share-based payments	106	86	106	58
	1,749	1,428	1,124	978

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

43.6. Other related party transactions

NZ IAS 24.17,18

In addition to the above, Green Dot Overseas Limited performed certain administrative services for the Company, for which a management fee of \$18,000 (2008: \$16,000) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

NZ IAS 7.NZ 20.1

44. Net cash flow from operating activities

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Profit for the year	26,552	30,332	13,891	12,426
Non-cash items:				
(Gain)/loss on sale or disposal of property, plant and equipment	(6)	(67)	(14)	2
Loss/(gain) on revaluation of investment property	6	(8)	-	-
Gain on disposal of business	(1,945)	-	-	-
Loss/(gain) on revaluation of FVTPL financial assets	-	-	-	-
Loss/(gain) transferred from equity on sale of available-for-sale financial assets	-	-	-	-
Loss/(gain) transferred from equity on impairment of available-for-sale financial assets	-	-	-	-
Impairment loss recognised on trade receivables	63	430	2	1
Reversal of impairment loss on trade receivables	(103)	-	-	-
Share of profit of associates	(1,186)	(1,589)	-	-
Depreciation and amortisation of non-current assets	14,179	17,350	48	45
Impairment of non-current assets recognised in profit or loss	1,219	-	-	-
Net foreign exchange (gain)/loss	(144)	68	(12)	(8)
Expense recognised in profit or loss in respect of equity-settled share-based payments	206	338	206	338
Increase/(decrease) in current tax liabilities	(760)	4,301	(19)	(1,938)
Deferred tax	1,486	400	33	19
Reclassification of working capital items as held-for-sale	444	-	-	-
	40,011	51,555	14,135	10,885
Movements in working capital:				
(Increase)/decrease in trade and other receivables	(2,198)	(9,284)	(1,694)	(789)
(Increase)/decrease in inventories	(1,122)	1,417	20	(82)
(Increase)/decrease in other assets	-	-	-	-
Decrease in trade and other payables	(4,831)	4,382	(1,320)	(713)
Increase/(decrease) in provisions	149	1,124	(12)	(25)
Increase in deferred revenue	37	63	-	-
(Decrease)/increase in other liabilities	(62)	89	10	-
Deduct/(add) items reclassified as investing or financing activities	(1,611)	(349)	38	(67)
Net cash generated by operating activities	30,373	48,997	11,177	9,209

NZ IAS 7.43

45. Non-cash transactions and financing facilities

45.1. Non-cash investing and financing transactions

During the 2009 year, the Group disposed of property, plant and equipment with an aggregate fair value of \$0.4 million to acquire Green Dot Distributions Limited (note 20.4). This disposal is not reflected in the statement of cash flows.

In addition, share issue proceeds of \$8,000 were received in the form of consulting services, as described in note 37.1.

During the 2008 year, the Group acquired \$40,000 of equipment under a finance lease. This acquisition will be reflected in the statement of cash flows over the term of the finance lease via lease repayments.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

45. Non-cash transactions and financing facilities (continued)

45.2. Financing facilities

NZ IAS 7.50(a)

Unsecured bank overdraft facility, reviewed annually and payable at call

Amount used (note 13)

Amount unused

Unsecured bills of exchange facility, reviewed annually

Amount used (note 30)

Amount unused

Secured bank overdraft facility

Amount used (note 13)

Amount unused

Secured bank loan facilities with various maturity dates through to 2011 and which may be extended by mutual agreement

Amount used (note 30)

Amount unused

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Unsecured bank overdraft facility, reviewed annually and payable at call				
Amount used (note 13)	520	314	502	212
Amount unused	1,540	2,686	498	788
	2,060	3,000	1,000	1,000
Unsecured bills of exchange facility, reviewed annually				
Amount used (note 30)	358	916	-	-
Amount unused	1,142	1,184	-	-
	1,500	2,100	-	-
Secured bank overdraft facility				
Amount used (note 13)	18	64	-	-
Amount unused	982	936	-	-
	1,000	1,000	-	-
Secured bank loan facilities with various maturity dates through to 2011 and which may be extended by mutual agreement				
Amount used (note 30)	14,982	17,404	8,000	9,500
Amount unused	6,527	7,811	2,000	3,000
	21,509	25,215	10,000	12,500

COMMENTARY

Details of used and unused financing facilities are not mandatory under NZ IFRS, however NZ IAS 7.50(a) encourages such disclosure since it may be relevant to users in understanding the financial position and liquidity of an entity.

NZ IAS 7.50(a)

46. Operating lease arrangements

46.1. The Group as lessee

46.1.1. Leasing arrangements

Operating leases relate to warehouse facilities with lease terms of between 3 to 7 years, with an option to extend for a further 3 years. All operating lease contracts contain market review clauses in the event that the Group exercises its option to renew. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

46.1.2. Payments recognised as an expense

NZ IAS 17.35(d)

Minimum lease payments
Contingent rentals
Sub-lease payments received

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Minimum lease payments	2,008	2,092	52	52
Contingent rentals	-	-	-	-
Sub-lease payments received	-	-	-	-
	2,008	2,092	52	52

NZ IAS 17.35(c)

NZ IAS 17.35(c)

NZ IAS 17.35(c)



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

46. Operating lease arrangements (continued)

46.1. The Group as lessee (continued)

46.1.3. Non-cancellable operating lease commitments

NZ IAS 17.35(a)
NZ IAS 17.35(a)
NZ IAS 17.35(a)

Not longer than one year
Longer than one year and not longer than five years
Longer than five years

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Not longer than one year	1,734	1,908	52	52
Longer than one year and not longer than five years	3,568	4,336	88	118
Longer than five years	1,618	2,526	-	-
	6,920	8,770	140	170

In respect of non-cancellable operating leases the following liabilities have been recognised:

	Group			Company		
	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000	1 Jan 2008 NZ\$'000
Onerous lease contracts (note 33)						
Current	305	408	350	2	4	3
Non-current	425	335	743	-	-	-
Lease incentives (note 35)						
Current	90	90	110	-	-	-
Non-current	180	270	213	-	-	-
	1,000	1,103	1,416	2	4	3

46.2. The Group as lessor

46.2.1. Leasing arrangements

NZ IAS 17.56(c)

Operating leases relate to the investment property owned by the Group with lease terms of between 5 to 10 years, with an option to extend for a further 10 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

NZ IAS 40.75(f)

Rental income

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Rental income	18	14	-	-
Direct operating expense of investment properties:				
Properties generating rental income	4	3	-	-
Properties not generating rental income	-	-	-	-

NZ IAS 40.75(f)

Direct operating expense of investment properties:

NZ IAS 40.75(f)

Properties not generating rental income

NZ IAS 17.56(a)

46.2.2. Non-cancellable operating lease receivables

NZ IAS 17.56(a)

Not later than one year

NZ IAS 17.56(a)

Later than one year and not later than five years

NZ IAS 17.56(a)

Later than five years

NZ IAS 17.56(a)

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Not later than one year	18	18	-	-
Later than one year and not later than five years	54	72	-	-
Later than five years	-	-	-	-
	72	90	-	-



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

47. Commitments for expenditure

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
NZ IAS 16.74(c) Commitments for the acquisition of property, plant and equipment	4,856	6,010	26	70

NZ IAS 40.75(h)

In addition, the Group has entered into a contract for the management and maintenance of its investment property for the next 5 years, which will give rise to an annual charge of \$3,500 (Company: \$nil).

NZ IAS 31.55

The Group's share of the capital commitments of its jointly controlled entity, Electronics JV Limited, is as follows:

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
Commitments for the acquisition of property, plant and equipment	983	192	-	-

48. Contingent liabilities and contingent assets

48.1. Contingent liabilities

	Group		Company	
	2009 NZ\$'000	2008 NZ\$'000	2009 NZ\$'000	2008 NZ\$'000
NZ IAS 37.86(a) Court proceedings (i)	-	-	-	-
NZ IAS 31.54(a) Contingent liabilities incurred by the Group arising from interests in joint ventures (ii)	110	116	-	-
NZ IAS 28.40(a) Group's share of associates' contingent liabilities (iii)	150	14	-	-
NZ IAS 28.40(b) The Company is jointly and severally liable for all the liabilities of an associate, Green Dot Loans Limited (iv)	455	413	455	413

NZ IAS 37.86

(i) An entity in the Group is a defendant in a legal action involving the alleged failure of the entity to supply goods in accordance with the terms of contract. The directors believe, based on legal advice, that the action can be successfully defended and therefore no losses (including for costs) will be incurred. The legal claim is expected to be settled in the course of the next eighteen months.

NZ IAS 37.86

(ii) A number of contingent liabilities have arisen as a result of the Group's interests in joint ventures. The amount disclosed represents the aggregate amount of such contingent liabilities for which the Group as an investor is liable. The extent to which an outflow of funds will be required is dependent on the future operations of the joint ventures being more or less favourable than currently expected. The Group is not contingently liable for the liabilities of other ventures in its joint ventures.

NZ IAS 37.86

(iii) The Group is exposed to a share of contingent liabilities of its associates. The extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected.

NZ IAS 37.86

(iv) The Company's joint and several liability for the liabilities of Green Dot Loans Limited will only be called upon in the event of default by Green Dot Loans Limited. The term of this arrangement is indefinite. The amount disclosed as a contingent liability is the aggregate liabilities of Green Dot Loans Limited as at 31 December. The extent to which an outflow of funds will be required is dependent on the future operations of Green Dot Loans Limited being more or less favourable than currently expected.



NZ IAS 1.10(e)
NZ IAS 1.51(c)

Notes to the financial statements for the year ended 31 December 2009

48. Contingent liabilities and contingent assets (continued)

48.2. Contingent assets

NZ IAS 37.89

Faulty goods claim (i)

Group		Company	
2009	2008	2009	2008
NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
140	-	-	-

- (i) A company in the Group has a claim outstanding against a supplier for the supply of faulty products. Based on negotiations to date the directors believe that it is probable that their claim will be successful and that compensation of \$0.1 million will be recovered.

49. Events after the reporting period

NZ IAS 10.21

On 18 January 2010, the premises of Green Dot Equipment Limited were seriously damaged by fire. Insurance claims are in process, but the cost of refurbishment is currently expected to exceed the amount that will be reimbursed by \$8.3 million.



NZ IAS 1.8(e)
NZ IAS 1.46(c)

Directory

NZ IAS 1.138(a)

Green Dot Holdings Limited is a listed public company, incorporated and operating in New Zealand, North America and Europe.

Company Number

NZ12345

NZ IAS 1.138(a)

Registered office/principal place of business

18th Floor
Deloitte Centre
80 Queen Street
Auckland
New Zealand
Tel: (+64) 9 309 4944

NZ IAS 1.138(a)

COMMENTARY

Disclosure in relation to the domicile and legal form of the entity, country of incorporation and the address of its registered office (or principal place of business, if different from the registered office) are necessary if such information is not disclosed elsewhere in information published with the financial statements.

Share registry

Widget Investor Services Limited
Level 10
159 Babblebrook Road
Babblebrook
Bigtown
New Zealand
Telephone: (+64) 9 555 5555

Auditor

Deloitte

Solicitors

Eagle, Beagle & Co

Banker

Best Bank Limited