

WIDESPREAD PORTFOLIOS LIMITED
Financial Statements
For the year ended 31 March 2011

WIDESPREAD PORTFOLIOS LIMITED
Directors' Report

In the opinion of the directors of Widespread Portfolios Limited, the financial statements and notes, on pages 2 to 33:


- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company and Group as at 31 March 2011 and the results of their operations and cash flows for the year ended on that date.
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.


The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and Group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Company and Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as the integrity and reliability of the financial statements.

The directors are pleased to present the financial statements of Widespread Portfolios Limited for the year ended 31 March 2011.

For and on behalf of the Board of Directors:


.....
C Castle
Director
30 May 2011


.....
Linda J Sanders
Director
30 May 2011

WIDESPREAD PORTFOLIOS LIMITED

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WIDESPREAD PORTFOLIOS LIMITED
Statement of Financial Position
As at 31 March 2011

<i>In thousands of dollars</i>	Note	Group 2011	2010	Company 2011	2010
Assets					
Other investments	11	4,087	4,365	-	-
Intangible assets	14	425	-	-	-
Investments in subsidiaries	11	-	-	4,622	4,545
Investments in equity accounted investees	10	3,043	236	-	-
NZX Bond		105	103	105	103
Total non-current assets		7,660	4,704	4,727	4,648
Cash and cash equivalents	13	347	48	-	-
Brokers current accounts		2	13	-	-
Trade and other receivables		36	54	18	5
Other investments	11	44	168	-	-
Prepayments		9	9	9	9
Current tax assets	9	4	3	1	1
Deferred tax	12	7	-	7	7
Total current assets		449	295	35	22
Total assets		8,109	4,999	4,762	4,670
Equity					
Share capital	15	12,201	11,897	12,201	11,897
Reserves	15	828	1,082	1,119	1,119
Accumulated losses	15	(5,104)	(8,141)	(8,664)	(8,412)
Total equity attributable to equity holders of the Company		7,925	4,838	4,656	4,604
Total equity		7,925	4,838	4,656	4,604
Liabilities					
Trade and other payables		151	66	106	66
Deferred taxation	12	-	90	-	-
Advance to Chatham Rock Phosphate Limited	20	33	5	-	-
Total liabilities		184	161	106	66
Total equity and liabilities		8,109	4,999	4,762	4,670

The financial statements have been approved by the Board of Directors on 30 May 2011.


 Chris D Castle


 Linda J Sanders

The notes on pages 8 to 33 are an integral part of these financial statements.



WIDESPREAD PORTFOLIOS LIMITED
Statement of Comprehensive Income
For the year ended 31 March 2011

<i>In thousands of dollars</i>	Note	Group 2011	Group 2010	Company 2011	Company 2010
Continuing operations					
Revenue	6	326	168	-	-
Net finance income/(expense)	7	166	48	4	4
Administrative expenses	8	(632)	(441)	(256)	(175)
Gain on disposal of intangible assets	20	3,315	-	-	-
Loss on disposal available-for-sale investments		-	(65)	-	-
Share of loss of equity accounted investees	10	(138)	(44)	-	-
Profit/(loss) from continuing activities before income tax		3,037	(334)	(252)	(171)
Income tax (credit)/expense	9	-	2	-	(1)
Profit/(loss) from continuing operations after income tax		3,037	(336)	(252)	(170)
Other comprehensive income					
Net change in fair value of available-for-sale financial assets		(351)	947	-	-
Revaluation of investments in subsidiaries	11	-	-	-	1,006
Deferred tax recognised in equity	12	97	(63)	-	-
Other comprehensive income for the period, net of tax		(254)	884	-	1,006
Total comprehensive income for the period		2,783	548	(252)	836
Earnings/(loss) per share for the period from continuing operations					
Basic earnings/(loss) per share (New Zealand cents)	16	13.018	(1.5645)		
Diluted earnings/(loss) per share (New Zealand cents)		7.206	(0.8333)		

The notes on pages 8 to 33 are an integral part of these financial statements.



WIDESPREAD PORTFOLIOS LIMITED
Statement of Changes in Equity
For the year ended 31 March 2011

<i>In thousands of dollars</i>	Note	Group		Company	
		2011	2010	2011	2010
Opening equity as at 1 April		4,838	4,290	4,604	3,768
Profit/(loss) for the period		2,783	(336)	(252)	(170)
Other comprehensive income		-	884	-	1,006
Total comprehensive income for the period		2,783	548	(252)	836
Contributions from owners					
Issue of shares	15	304	-	304	-
Closing equity as at 31 March		7,925	4,838	4,656	4,604

The notes on pages 8 to 33 are an integral part of these financial statements.



WIDESPREAD PORTFOLIOS LIMITED
Statement of Cash Flows
For the year ended 31 March 2011

<i>In thousands of dollars</i>	Note	2011	Group 2010
Cash flows from operating activities			
Cash received from customers		350	152
Proceeds from sale of other investments current		344	391
Net interest received		6	13
Tax refund received		1	13
Cash paid to suppliers		(551)	(448)
Purchase of other investments current		(60)	(376)
Net cash from/(used in) operating activities	19	90	(255)
Cash flows from investing activities			
Proceeds to/(from) broker current accounts		11	(13)
Proceeds from sale of other investments non-current		-	84
Proceeds to/(from) related parties		28	5
Purchase of other investments non-current		(132)	(72)
Reinvested interest NZX Bond		(2)	(3)
Net cash from/(used in) investing activities		(95)	1
Cash flows from financing activities			
Proceeds from issue of share capital	15	304	-
Net cash from/(used in) financing activities		304	-
Net (decrease)/increase in cash and cash equivalents		299	(254)
Cash and cash equivalents at 1 April		48	302
Cash and cash equivalents at 31 March	13	347	48

The notes on pages 8 to 33 are an integral part of these financial statements.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

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WIDESPREAD PORTFOLIOS LIMITED

Notes to Financial Statements

For the year ended 31 March 2011

1. Reporting entity

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

Financial statements for the Company (separate financial statements) and consolidated financial statements are presented. The consolidated financial statements of Widespread Portfolios Limited as at and for the year ended 31 March 2011 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

Widespread Portfolios Limited invests and trades in a range of locally and overseas listed equities and derives income from share trading, interest and dividends.

2. Basis of preparation

(a) *Statement of compliance*

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("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. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on – 30 May 2011.

(b) *Basis of measurement*

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

- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value

The methods used to measure fair values are discussed further in note 4.

(c) *Functional and presentation currency*

These financial statements are presented in New Zealand dollars, which is the Group's functional currency.

(d) *Use of estimates and judgements*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4(a) – valuation of unlisted investments



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Notes to Financial Statements
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2. Basis of preparation (continued)

(e) *New NZ IFRS standards and interpretations issued but not yet adopted*

At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but not yet effective, and have not been adopted early by the Group.

Management anticipates that all pronouncements will be adopted in the first accounting period beginning on or after the effective date of the new standard. Information on new standards, amendments and interpretations that are expected to be relevant to the company's financial statements is provided below. Certain other new standards and interpretations issued but not yet effective, that are not expected to have a material impact on the Group's financial statements, have not been disclosed.

NZ IFRS 9 – Financial Instruments (effective from 1 January 2013)

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety by the end of 2011, with replacement standard (NZ IFRS 9) to be effective for accounting periods beginning on or after 1 January 2013. The new standard is being issued in phases, with early adoption available as each phase is issued. To date, the chapters dealing with recognition, classification, measurement and de-recognition of financial assets and financial liabilities have been issued. The chapters dealing with impairment and hedge accounting are still being developed.

Management have yet to assess the impact this new standard is likely to have on the recognition and measurement of financial assets held by the Group. However, they do not expect to implement the amendments until all chapters of NZ IFRS 9 have been published and they can comprehensively assess the impact of all changes.

2010 Improvements to IFRSs (effective for years beginning 1 July 2010)

In May 2010 the IASB issued the annual omnibus of minor amendments to IFRS standards. Management has yet to complete a detailed review of these amendments, however upon preliminary review the impact is not expected to be significant.

3. Significant accounting policies

For the purposes of these financial statements the accounting policies set out below have been applied consistently to all periods presented.

(a) *Basis of consolidation*

(i) *Subsidiaries*

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

(ii) *Acquisitions from entities under common control*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity. Any cash paid for the acquisition is recognised directly in equity.



WIDESPREAD PORTFOLIOS LIMITED
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3. Significant accounting policies (continued)

(iii) Associates (equity accounted investees)

Associates are those entities in which the Group had significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of loss exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iv) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

(c) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.
Accounting for finance income and expense is discussed in note 3(g).



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Notes to Financial Statements
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3. Significant accounting policies (continued)

(c) Financial instruments (continued)

Available-for-sale financial assets

The Group's long term investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement. Where the fair value of the asset falls below cost, the impairment is shown in the income statement.

Instruments at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for short term trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

Other

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in equity securities

Investments in equity securities held by the group with a long term objective are classified as available-for-sale. The fair value of equity investments classified as available-for-sale is their quoted bid price at the balance sheet date. For equity investments which are unlisted, the fair value is based on Directors' judgement of a fair market value based on recent share activity primarily from recent private placement subscription agreements. If fair value cannot be reliably measured, then unlisted investments are valued at cost.

Investments in equity securities held by the group with a short term objective are classified as fair value through profit or loss. The fair value of equity investments classified as fair value through profit or loss is their quoted bid price at the balance sheet date. For equity investments which are unlisted, the fair value is based on Directors' judgement of a fair market value based on recent share activity primarily from recent private placement subscription agreements. If fair value cannot be reliably measured, then unlisted investments are valued at cost.

Receivables

Receivables are stated at their cost less impairment losses.

Trade and other payables

Trade and other payables are stated at cost.

Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
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3. Significant accounting policies (continued)

(d) *Impairment*

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the income statement.

(e) *Intangible assets*

Exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if:

- (i) Sufficient data exists to determine technical feasibility and commercial viability, and
- (ii) Facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (c)).

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Exploration and evaluation assets (continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

(f) *Director benefits*

Share-based payment transactions

The grant date fair value of options granted to directors is recognised as a directors' expense, with a corresponding increase in equity, over the period in which the directors become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

(g) *Revenue*

Revenue from services rendered is measured at the fair value of the consideration received or receivable.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

3. Significant accounting policies (continued)

(h) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, and gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except for trade receivables), and losses on the disposal of available-for-sale financial assets that are recognised in the income statement. All borrowing costs are recognised in the income statement using the effective interest method.

(i) Income tax expense

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases of those items. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Earnings per share

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

(k) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

4. Determination of fair values

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

(a) *Investments in equity and debt securities*

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. Where an active market does not exist around balance date, a proxy for the quoted bid price is determined using active market prices for a period closest to the balance sheet date. For equity investments which are unlisted, the fair value is based on Directors' judgement of a fair market value based on recent share activity primarily from recent private placement subscription agreements. If fair value cannot be reliably measured, then unlisted investments are valued at cost.

(b) *Receivables*

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

(c) *Share-based payment transactions*

The fair value of directors' stock options is measured using a binomial lattice model. The value of share appreciation rights is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

5. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The Group has two business segments being investment and exploration in oil and gas.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical segments

The investment segment operates in three principal geographical areas, New Zealand, Canada and other.

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



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
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5. Segment reporting (continued)

Group Business segments			
	Investment	Exploration	Total
<i>In thousands of dollars</i>			
2011			
Total segment revenue	492	-	492
Segment result	3,037	-	3,037
Segment assets	7,684	425	8,109
2010			
Total segment revenue	246	-	246
Segment result	336	-	336
Segment assets	4,999	-	4,999

Group Geographical segments				
	New Zealand	Canada	Other	Total
<i>In thousands of dollars</i>				
2011				
Interest revenue	9	-	-	9
Other revenue	282	40	161	483
Total revenue	291	40	161	492
Segment assets	5,529	1,863	717	8,109
2010				
Interest revenue	12	-	-	12
Other revenue	136	98	-	234
Total revenue	148	98	-	246
Segment assets	1,602	2,708	689	4,999

6. Revenue

<i>In thousands of dollars</i>	Group		Company	
	2011	2010	2011	2010
Consultancy fees	232	82	-	-
Directors fees	94	86	-	-
Total revenues	326	168	-	-



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7. Finance income and expenses

<i>In thousands of dollars</i>	Group		Company	
	2011	2010	2011	2010
Interest income on bank deposits	9	12	4	4
Net gain on disposal of financial assets designated at fair value through profit or loss	161	66	-	-
Finance income	170	78	4	4
Net change in fair value of financial assets designated at fair value through profit or loss	(1)	(29)	-	-
Net foreign exchange losses	(3)	(1)	-	-
Finance expense	(4)	(30)	-	-
Net finance income/(expense)	166	48	4	4

8. Administrative expenses

The following items of expenditure are included in administrative expenses:

<i>In thousands of dollars</i>	Group		Company	
	2011	2010	2011	2010
Auditor's remuneration to WHK Wellington comprises:				
audit of financial statements	26	26	26	26
preparation of tax return	6	7	6	2
other audit-related services	4	-	4	-
Total auditor's remuneration	36	33	36	28
Accountancy	12	12	8	8
Consultants fees	33	-	33	-
Depreciation	1	1	-	-
Directors fees	56	56	56	56
General expenses	34	23	27	13
Insurance	22	21	22	21
Legal fees	37	12	37	12
Listing fees	22	17	22	17
Management fees	363	246	-	-
Registry fees	10	15	10	15
Travel expenses	6	5	5	5
Total administration expenses	632	441	256	175

Other audit-related services include services for the audit or review of financial information other than financial reports including prospectus reviews.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

9. Income tax expense in the income statement

Reconciliation of effective tax rate

<i>In thousands of dollars</i>	Group		Company	
	2011	2010	2011	2010
Profit/(loss) for the year	3,037	(336)	(252)	(170)
Total income tax (credit)/expense	-	2	-	(1)
Profit/(loss) excluding income tax	3,037	(334)	(252)	(171)
Income tax using the Company's domestic tax rate (30%)	911	(100)	(76)	(51)
<i>Tax effect of:</i>				
Non-deductible expenses	32	45	23	4
Non-assessable income	(1,052)	(18)	-	-
Non-assessable equity accounted earnings	41	-	-	-
Current year losses for which no deferred tax asset is recognised	285	223	52	46
Change in unrecognised temporary differences	(125)	-	-	-
Investment income calculated under tax legislation	(93)	(148)	-	-
Effect of reduction in tax rate	1	-	1	-
Income tax (credit)/expense	-	2	-	(1)
<i>Comprising:</i>				
Current tax expense	-	-	-	-
Deferred tax expense				
Origination and reversal of temporary differences	(279)	(221)	(57)	(47)
Change in unrecognised temporary differences	278	223	56	46
Effect of reduction in tax rate	1	-	1	-
	-	2	-	(1)
Total income tax (credit)/expense in income statement	-	2	-	(1)
<i>The current tax liability/(asset) consists of:</i>				
Resident withholding tax paid	(4)	(3)	(1)	(1)
Current tax liability/(asset)	(4)	(3)	(1)	(1)



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For the year ended 31 March 2011

9. Income tax expense in the income statement (continued)

<i>In thousands of dollars</i>	Group		Company	
	2011	2010	2011	2010
Deferred tax expense recognised directly in equity				
Deferred tax on revaluation of current investments	185	117	-	-
Change in unrecognised temporary differences	(282)	(54)	-	-
	<u>97</u>	<u>63</u>	<u>-</u>	<u>-</u>
Imputation credit account				
Imputation credits at 1 April	195	203	1	2
Resident withholding tax deducted	2	3	1	1
Imputation credits on dividends received	-	1	-	-
New Zealand tax payments, net of refunds	(3)	(12)	(1)	(2)
Prior period adjustment	5	-	-	-
	<u>199</u>	<u>195</u>	<u>1</u>	<u>1</u>
Imputation credits at 31 March	<u>199</u>	<u>195</u>	<u>1</u>	<u>1</u>

The closing balance represents imputation credits available to be attached to any future distributions from the Company's reserves, subject to shareholder continuity provisions.

As from 1 April 2011 the Company tax rate has changed from 30 cents to 28cents.

10. Equity accounted investees

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group.

<i>In thousands of dollars</i>	Group	
	2011	2010
Ownership	26%	22%
Current assets	455	553
Non-current assets	4,398	738
Total assets	4,853	1,291
Current liabilities	(250)	(132)
Total liabilities	(250)	(132)
Revenues	-	-
Expenses	(629)	(201)
Profit/(loss)	(629)	(201)



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

10. Equity accounted investees (continued)

Movements in carrying value of equity accounted investees:

<i>In thousands of dollars</i>	Group	
	2011	2010
Balance at 1 April	236	280
Investment during the period	2,945	-
Share of profit/(loss)	(138)	(44)
Balance at 31 March	3,043	236

The Directors have equity accounted the Group's investment Chatham Rock Phosphates Limited in accordance with NZ IAS 28 - Investments in Associates.

The Directors have also reviewed the carrying value of this investment for possible impairment.

The Group owns 8,993,541 shares in Chatham Rock Phosphates Limited. The quoted share price at the year end, as listed on the NZX, was 16 cents. Taking this value per share would value the investment at \$1,438,966.

The Directors have concluded that there is no impairment on this investment as the new shares issued on 31 March 2011 were issued at a price of 70.587 cents per share and this transaction was agreed by the shareholders of both companies (see note 20). Using this share issue price would value the equity investment at \$6,348,270. In addition, the value of the investment in Chatham Rock Phosphates Limited is supported by the independent valuations of the project as detailed in note 20.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

11. Investments

Other investments

<i>In thousands of dollars</i>	Group		Company	
	2011	2010	2011	2010
Non-current investments				
Available-for-sale financial assets	4,087	4,365	-	-
	4,087	4,365	-	-
Current investments				
Financial assets designated at fair value through profit or loss	44	168	-	-

Investment in subsidiaries

<i>In thousands of dollars</i>	Group		Company	
	2011	2010	2011	2010
Non-current investments				
Investment in subsidiaries	-	-	4,622	4,545
	-	-	4,622	4,545

An impairment gain/(loss) in the Parent Company of \$nil (2010:\$(1,006,000)) in respect of investment in subsidiaries was recognised during the current year owing to the improvement/(reduction) in the subsidiary's net assets due to the movement in the market value of available-for-sale financial assets held in the subsidiary.

12. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

<i>In thousands of dollars</i>	Group		Company	
	2011	2010	2011	2010
Non-current investments	-	99	-	-
Intangible assets	119	-	-	-
Current investments	(2)	(2)	-	-
Accrued income	-	-	-	-
Trade and other payables	(7)	(7)	(7)	(7)
Tax losses	(117)	-	-	-
Net tax (assets)/liabilities	(7)	90	(7)	(7)



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

12. Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year:

<i>In thousands of dollars</i>	Balance at 1/4/10	Recognised in income	Recognised in equity	Balance at 31/3/11
Non-current investments	99	(2)	(97)	-
Intangible assets	-	119	-	119
Current investments	(2)	-	-	(2)
Trade and other payables	(7)	-	-	(7)
Tax losses	-	(117)	-	(117)
	90	-	(97)	(7)

<i>In thousands of dollars</i>	Balance at 1/4/09	Recognised in income	Recognised in equity	Balance at 31/3/10
Non-current investments	37	(1)	63	99
Current investments	(7)	5	-	(2)
Accrued income	1	(1)	-	-
Trade and other payables	(6)	(1)	-	(7)
	25	2	63	90

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

<i>In thousands of dollars</i>	Group		Company	
	2011	2010	2011	2010
Tax losses	(874)	(765)	(145)	(98)
Non-current investments	(128)	(410)	-	-
Net tax (assets)/liabilities	(1,002)	(1,175)	(145)	(98)

The tax losses do not expire under current tax legislation, subject to shareholder continuity provisions. The temporary differences arising on non-current investments do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because the timing of future taxable profits against which the Company can utilise the benefits of these items is uncertain.

13. Cash and cash equivalents

<i>In thousands of dollars</i>	Group	
	2011	2010
Bank balances	347	48
Cash and cash equivalents in the statement of cash flows	347	48



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

14. Intangible assets

Exploration and evaluation

<i>In thousands of dollars</i>	Group	Total
	Kotuku	
Exploration interests acquired	425	425
Balance at 31 March 2011	425	425

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest. See note 20 for further details of the acquisition.

15. Capital and reserves

Reconciliation of movement in capital and reserves

Group

<i>In thousands of dollars</i>	Share capital	Fair value reserve	Treasury shares	Share option reserve	Retained earnings	Total
Balance at 1 April 2009	11,897	85	(175)	288	(7,805)	4,290
Total comprehensive income for the period	-	884	-	-	(336)	548
Balance at 31 March 2010	11,897	969	(175)	288	(8,141)	4,838
Balance at 1 April 2010	11,897	969	(175)	288	(8,141)	4,838
Total comprehensive income for the period	-	(254)	-	-	3,037	2,783
Issue of ordinary shares	304	-	-	-	-	304
Balance at 31 March 2011	12,201	715	(175)	288	(5,104)	7,925

Company

<i>In thousands of dollars</i>	Share capital	Fair value reserve	Treasury shares	Share option reserve	Retained earnings	Total
Balance at 1 April 2009	11,897	-	(175)	288	(8,242)	3,768
Total comprehensive income for the period	-	1,006	-	-	(170)	836
Balance at 31 March 2010	11,897	1,006	(175)	288	(8,412)	4,604
Balance at 1 April 2010	11,897	1,006	(175)	288	(8,412)	4,604
Total comprehensive income for the period	-	-	-	-	(252)	(252)
Issue of ordinary shares	304	-	-	-	-	304
Balance at 31 March 2011	12,201	1,006	(175)	288	(8,664)	4,656



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

15. Capital and reserves (continued)

Share capital

<i>In thousands of shares</i>	Ordinary shares	
	2011	2010
On issue at 1 April	21,436	21,436
Issue of ordinary shares	2,054	-
On issue at 31 March	23,490	21,436

The Group has also issued warrants.

All issued shares are fully paid and have no par value.

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Warrants

On 14 March 2007, the Company offered on a pro rata basis to all shareholders of the Company, one transferable Warrant for every 100 shares held. With the effect of the share consolidation on 7 July 2008, the number of shares into which a warrant may be exercised has been reduced from 100 shares to 2 shares. The Warrants have no minimal value. Each warrant entitles the holder, on exercise, to 2 shares. Accordingly the remaining number of new shares that may be issued through the exercise of warrants is 17,010,246. The final exercise date is 30 June 2012, and after that the warrants lapse.

The exercisable price of the warrants is presently:

- From 1 April 2011 until 30 June 2012: 14.91 cents per new share or, in total, 29.82 cents per warrant.

<i>In thousands of warrants</i>	Transferable Warrants	
	2011	2010
On issue at 1 April	8,505	8,505
On issue at 31 March	8,505	8,505

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised.

Treasury shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 March 2011 the Group held 190,000 of the Company's shares (2010: 190,000).

Share option reserve

With the introduction of NZIFRS and in particular NZ IFRS 2 "Share-based payments", it is necessary for the Group to account for options granted in return for services received. In accordance with NZ IFRS 2 the fair value of the options are expensed over the vesting period.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

16. Earnings/(loss) per share

Basic earnings/(loss) per share

The calculation of basic earnings per share at 31 March 2011 was based on the profit/(loss) attributable to ordinary shareholders of 3,037,000 (2010: \$(336,000)) and a weighted average number of ordinary shares outstanding of 23,322,000 (2010: 21,436,000), calculated as follows:

Profit/(loss) attributable to ordinary shareholders

<i>In thousands of dollars</i>	Group 2011	2010
Net profit/(loss) for the year	3,037	(336)

Weighted average number of ordinary shares

<i>In thousands of shares</i>	2011	2010
Issued ordinary shares at 1 April	21,436	21,436
Effect of shares issued April 10	1,886	-
Weighted average number of ordinary shares at 31 March	23,322	21,436

Diluted earnings/(loss) per share

The calculation of diluted earnings per share at 31 March 2011 was based on profit/(loss) attributable to ordinary shareholders of 3,037,000 (2010: \$(336,000)) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 42,132,000 (2010: 40,246,000), calculated as follows:

Weighted average number of ordinary shares (diluted)

<i>In thousands of shares</i>	2011	2010
Weighted average number of ordinary shares (basic)	23,322	21,436
Effect of warrants on issue	18,810	18,810
Weighted average number of ordinary shares (diluted) at 31 March	42,132	40,246



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

17. Share-based payments

No warrants have been granted since the end of the financial year. The warrants were provided at no cost to the recipients.

Each warrant entitles the recipient, on exercise, to 2 shares. Accordingly the number of new shares that may be issued through the exercise of these warrants is 1,800,000. The Final exercise date is 30 June 2012, and after that the warrants lapse.

The exercisable price of the warrants is presently:

- From 1 April 2011 until 30 June 2012: 14.91 cents per new share or, in total, 29.82 cents per warrant.

The fair value of services received in return for the warrants granted are measured by reference to the fair value of share warrants granted. The estimate of the fair value of the services received is measured based on the Black-Scholes valuation method. The contractual life of the warrant is used as an input into this model. No expectations of early exercise have been incorporated into the Black-Scholes valuation method.

Fair value of share warrants and assumptions

Directors warrants
2008

Fair value at grant date

Share price	\$0.015
Exercise price	\$0.033
Expected volatility (weighted average volatility)	41.3%
Option life (expected weighted average life)	4.85 years
Expected dividends	\$0.00
Risk-free interest rate (based on government bonds)	6.94%

The number and weighted average exercise prices of share warrants is as follows:

	Weighted average exercise price 2011	Weighted average exercise price 2010	Number of directors warrants 2011	Number of directors warrants 2010
Outstanding at 1 April	2.99	2.99	900,000	900,000
Outstanding at 31 March	2.99	2.99	900,000	900,000
Exercisable at 31 March			900,000	900,000



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

18. Financial instruments

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

Foreign currency risk

The Group is exposed to foreign currency risk on investments that are denominated in a currency other than the Group's functional currency, New Zealand dollars (\$), which is the presentation currency of the Group. The currencies, in which some transactions are denominated in, include Canadian dollars (CAD), Australian dollars (AUD) and United States dollars (USD). It is the Group's policy not to hedge foreign currency risks.

<i>In thousands of dollars</i>	CAD	AUD	USD
2011			
Foreign currency risk			
Brokers current accounts	2	-	-
Other investments	1,863	391	245
2010			
Foreign currency risk			
Brokers current accounts	9	4	-
Other investments	2,699	438	247

As the Group's investments are predominantly held overseas, their value in New Zealand dollars is affected by exchange rate fluctuations.

Market risk

Equity Price risk

The Group primarily invests in overseas-based mining and mineral exploration companies. Most investments are held for the longer term although part of the portfolio (usually about 10%) is committed to shorter-term share-trading activity.

Due to the very narrow spread of investments and the mineral sector focus, the Group's investment approach is likely to provide returns either better or worse than market averages. The Group is structured and operated to achieve growth in shareholders' funds and more particularly in the net tangible asset value of each share. The objective is not to make trading profits on a regular annual basis by selling our successful investments. A year in which net tangible assets per share increases by 20% or more is a good year for the Group, regardless of the accounting profit or loss that may have been incurred.

However, the directors cannot make any forecasts or predictions as to future profits. The business of the Group involves investment in equities, most of these being junior mining companies in development mode. While these investments have in the past, on balance, been successful, the directors are unable to predict the success, or otherwise, of present or proposed investments and are similarly unable to predict when such successes, or otherwise, might occur.

Often four or five investments represent 90% of the portfolio value. This occurs because further funds may be directed toward an investment opportunity once it starts to appreciate in value. This approach is contrary to classic portfolio management theory; it increases the investment exposure at the same time as the potential downside increases. The outcome of such an approach is increased volatility in the investment returns achieved by the Group.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

18. Financial instruments (continued)

Risk is minimised to the extent that it can be by the following strategies:

- Investments are financed solely from equity sources (the group will have no borrowings)
- The Group will avoid investment opportunities with open ended liabilities
- Investments will be well researched before acquisition
- There is frequent monitoring of the portfolio and market conditions generally
- There is continuous ongoing assessment of investments in the context of other investment opportunities available.

Other investments of the Company relate to:

<i>In thousands of dollars</i>	2011	2010
Non-current investments		
Equity securities available-for-sale	4,087	4,365
Held-to-maturity	-	-
Current investments		
Equity securities at fair value through profit and loss	44	168

Equity securities relate to investments in common stock of entities of privately held and listed companies.

Liquidity risk

Liquidity risk represents the Group's ability to meet its financial obligations. It is the Group's policy to maintain sufficient cash reserves at all times to meet its obligations arising from its financial liabilities.

Capital management

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

The Group is not subject to any externally imposed capital requirements.

The allocation of capital between its specific business segments operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

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

Credit risk

Credit risk is the risk that an outside party will not be able to meet its obligations to the Group. Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of cash and accounts receivable.

The Group manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. Financial assets such as cash at bank and deposits are held with reputable organisations.

At reporting date, there are no issues with the credit quality of financial assets that are neither past due or impaired, and all amounts are expected to be received in full.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

18. Financial instruments (continued)

Sensitivity analysis

In managing currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in foreign exchange will have an impact on equity.

It is estimated that a general increase of one percentage point in the value of the New Zealand dollar against other foreign currencies would have decreased the Group's equity investments and trading securities by approximately \$46,000 for the year ended 31 March 2011 (2010: \$46,000).

Classification and fair values

The fair value of all financial instruments is deemed to be their carrying value except for unlisted investments that are carried at cost as fair value cannot be reliably measured.

<i>In thousands of dollars</i>	Designated at fair value	Loans and receivables	Available for sale	Other liabilities	Total carrying amount
2011					
Assets					
Other investments	-	-	4,087	-	4,087
NZX Bond	-	105	-	-	105
Total non-current assets	-	105	4,087	-	4,192
Other investments	44	-	-	-	44
Trade and other receivables	-	36	-	-	36
Current tax assets	-	4	-	-	4
Cash and cash equivalents	-	347	-	-	347
Total current assets	44	387	-	-	431
Total assets	44	492	4,087	-	4,623
Liabilities					
Trade and other payables	-	-	-	151	151
Total liabilities	-	-	-	151	151



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

18. Financial instruments (continued)

Classification and fair values

The fair value of all financial instruments is deemed to be their carrying value except for unlisted investments that are carried at cost as fair value cannot be reliably measured.

<i>In thousands of dollars</i>	Designated at fair value	Loans and receivables	Available for sale	Other liabilities	Total carrying amount
2010					
Assets					
Other investments	-	-	4,365	-	4,365
NZX Bond	-	103	-	-	103
Total non-current assets	-	103	4,365	-	4,468
Other investments	168	-	-	-	168
Trade and other receivables	-	54	-	-	54
Current tax assets	-	3	-	-	3
Cash and cash equivalents	-	48	-	-	48
Total current assets	168	105	-	-	273
Total assets	168	208	4,365	-	4,741
Liabilities					
Trade and other payables	-	-	-	66	66
Total liabilities	-	-	-	66	66



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

19. Reconciliation of the profit/(loss) for the period with the net cash from operating activities

<i>In thousands of dollars</i>	Group	
	2011	2010
Profit/(loss) from continuing operations after income tax	3,037	(336)
Adjustments for:		
Depreciation	1	1
(Gains)/losses on sale of financial assets at fair value through profit & loss	(161)	(65)
(Gains)/losses on sale of available-for-sale financial assets	-	65
(Gains) on sale of intangibles	(3,315)	-
Unrealised losses on financial assets at fair value through profit & loss	1	29
Share of loss of equity accounted investees	138	44
Deferred tax recognised	-	(63)
	(299)	(325)
Change in trade and other receivables	21	(6)
Change in prepayments	-	-
Change in current tax assets	(1)	10
Change in deferred taxation	-	65
Change in trade and other payables	85	(13)
Change in other investments current	284	14
	90	(255)

20. Related parties

Directors of the Company control 12.7 percent of the voting shares of the Company, directly.

Chris Castle is a director of Nevay Holdings Limited and of Widespread Portfolios Limited. He also acts as an investment advisor to Widespread Portfolios Limited.

Chris Castle received management fees during the year of \$363,000. Chris Castle is contracted on a full time basis to Widespread Limited. The management fee for the year is made up as follows: \$150,000 base contract and \$213,000 (\$195,000 in relation to the year to 31 March 2011 and \$18,000 in relation to the prior year) being the capped amount paid based on directors and management fees received by Widespread Portfolios Limited from companies for whom he is a Director. Further, bonuses are payable dependent on performance. He receives these fees both in his own name and also via Nevay Holdings Limited. This arrangement was negotiated by the independent directors and expires on 31 March 2011, with a right of renewal for a further three years.

Chris Castle is a director for Asian Mineral Resources Limited and King Solomon Mines Limited.

Jill Hatchwell is a director and the secretary of Nevay Holdings Limited and a director of Widespread Portfolios Limited.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

20. Related parties (continued)

Asian Mineral Resources Limited

		Transaction value Year ended 31 March		Balance receivable/(payable) as at 31 March	
<i>In thousands of dollars</i>		2011	2010	2011	2010
Directors	Transactions				
C Castle	Directors Fees	41	48	10	9

King Solomon Mines Limited

		Transaction value Year ended 31 March		Balance receivable/(payable) as at 31 March	
<i>In thousands of dollars</i>		2011	2010	2011	2010
Directors	Transactions				
C Castle	Directors Fees	39	38	-	-

Chatham Rock Phosphate Limited

		Transaction value Year ended 31 March		Balance receivable/(payable) as at 31 March	
<i>In thousands of dollars</i>		2011	2010	2011	2010
Directors	Transactions				
C Castle, J Hatchwell, K Hindle, & L Sanders	Loan advances	(28)	(5)	(33)	(5)
Chris Castle	Directors Fees	14	-	7	-
C Castle, J Hatchwell, K Hindle, & L Sanders	Investment & management services	230	82	-	16

C Castle, J Hatchwell, K Hindle & L Sanders, Directors of Widespread Portfolios Ltd are also commonly Directors in Chatham Rock Phosphate Limited. During the year ended 31 March 2011, the Group received loans of \$33,000 from Chatham Rock Phosphate Limited. The loan was interest free and repayable on demand.

Chatham Rock Phosphate Limited also contracts Widespread Portfolios Limited for investment and management services on an as required basis. Amounts were billed based on normal market rates for such services on a monthly basis and were due and payable under normal commercial terms.



WIDESPREAD PORTFOLIOS LIMITED
Notes to Financial Statements
For the year ended 31 March 2011

20. Related parties (continued)

On the 30th March 2011 Chatham Rock Phosphate Limited purchased Widespread Portfolios Limited's 10% interest in Chatham Rise Joint Venture for a purchase price of \$3.4m. Widespread Portfolios Limited made a gain on sale of \$3.315m from this transaction. This value was determined with reference to two independent reports which support a board valuation of the current value for the Chatham Rock Phosphate Project being \$34 million. This valuation was reviewed by Simmons Corporate Finance on behalf of Chatham Rock Phosphate shareholders and by McDouall Stuart Corporate Finance for Widespread Portfolios shareholders, which both concurred with the fairness of the valuation. This transaction was approved by the shareholders of both companies. Consideration for this purchase was by way of an asset swap whereby the non-project assets of Chatham Rock Phosphate Limited including shareholdings in Akura Limited, a Fijian oil prospector, and Green Gate Limited, a private oil explorer which no longer holds any licence interests, together with exploration expenditure capitalised in Kotuku PEP 38526 were transferred to Widespread Portfolios Limited. These were transferred at values of \$81,000, \$nil and \$425,000 respectively. Additionally Widespread Portfolios Limited was issued with 4,099,627 shares in Chatham Rock Phosphate Limited at an issue price of \$0.70587 cents.

21. Group entities

Significant subsidiaries

	Country of Incorporation	Ownership interest	
		2011	2010
Widespread Limited	New Zealand	100	100
Mineral Investments Limited	New Zealand	100	100

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Widespread Portfolios Limited ("the Company")

Report on the Financial Statements

We have audited the financial statements of Widespread Portfolios Limited on pages 4 to 33, which comprise the Group and Company statement of financial position as at 31 March 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An entity associated with our firm provides taxation services to the Company, certain subsidiaries and associates; we have no other relationship with, or interests in, the Company or any of its subsidiaries and associates.

Opinion

In our opinion, the financial statements on pages 4 to 33:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;

- give a true and fair view of the financial position of the Group and Company as at 31 March 2011 and the results of their operations and cash flows for year then ended.

Report on Other Legal and Regulatory Requirements

Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993 require us to comment on whether we have obtained all the information and explanations that we have required from the Group and Company and whether we consider that proper accounting records have been kept by the Group and Company.

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

In our opinion proper accounting records have been kept by the Group and Company as far as appears from an examination of those records.

WHK

**WHK Wellington Partnership
CHARTERED ACCOUNTANTS**

30 May 2011

WIDESPREAD PORTFOLIOS LIMITED

Shareholder Information

Stock exchange listing

The Company's ordinary shares are listed on the NZSX market operated by NZX Limited.

1. Distributions of security holders and security holdings as at 19 May 2011

Size of holding	Number of security holders	Number of securities
1 - 1,000	251	67,296
1,001 - 5,000	210	565,960
5,001 - 10,000	78	593,461
10,001 - 50,000	195	4,891,829
50,001 - 100,000	37	2,736,936
100,001 +	48	14,634,967
Geographic distribution		
New Zealand	780	23,017,205
Australia	13	70,463
Rest of world	20	402,781

Distributions of warrant holders and warrant holdings as at 19 May 2011

Size of holding	Number of warrant holders	Number of warrants
1 - 1,000	322	85,464
1,000 - 5,000	144	365,388
5,001 - 10,000	49	361,192
10,001 - 50,000	81	1,922,385
50,001 - 100,000	18	1,301,372
100,001 +	19	4,469,322
Geographic distribution		
New Zealand	597	8,290,298
Australia	13	35,767
Rest of world	23	179,058

WIDESPREAD PORTFOLIOS LIMITED
Shareholder Information

2. 20 Largest registered holders of quoted equity securities as at 19 May 2011

	Ordinary	%
Christopher David Castle and Linda Jane Sanders	1,862,800	7.93
C A Purcell & J A Ward	1,137,606	4.84
Tasman Portfolios Limited	935,440	3.98
Leveraged Equities Finance Limited	588,460	2.50
R S Thornton	561,280	2.39
Chester Nominees Limited	558,500	2.38
P W Hall	540,000	2.30
P G Crafar	483,756	2.06
M Verbiest	416,673	1.77
J A Ward	408,114	1.74
S P Ward & J P Ward & E P Welson	402,834	1.71
C A Purcell	378,318	1.61
P V Robinson	366,853	1.56
D D Kelly	349,560	1.49
J W Guinness	328,052	1.40
G H Common & G P Walker	304,776	1.30
P W Brooks	300,970	1.28
A R Jamieson & E L Jamieson & E N Law	300,183	1.28
J E Hatchwell & P G Vincent & S N Kingsbury	290,268	1.23
N Paviour-Smith	222,606	0.95

20 Largest registered holders of quoted warrants as at 19 May 2011

	Ordinary	%
Christopher David Castle and Linda Jane Sanders	917,400	10.79
C A Purcell & J A Ward	568,803	6.69
K R Frankum	310,017	3.65
P W Hall	250,000	2.94
Leveraged Equities Finance Limited	241,881	2.84
P G Crafar	241,079	2.83
J A Ward	199,313	2.34
M Verbiest	197,537	2.32
C A Purcell	189,159	2.22
S P Ward & J P Ward & E P Welson	157,418	1.85
J W Guinness	152,426	1.79
G H Common & G P Walker	148,388	1.74
P W Brooks	146,485	1.72
J E Hatchwell & P G Vincent & S N Kingsbury	144,334	1.70
C A N Beyer	131,881	1.55
D De Lautour	126,800	1.49
Verona Nominees Limited	123,133	1.45
D D Kelly	120,781	1.42
K T Hindle	102,487	1.21
P V Robinson	98,545	1.16

WIDESPREAD PORTFOLIOS LIMITED
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For the year ended 31 March 2011

3. Substantial Security Holders as at 19 May 2011

The following persons are substantial security holders in accordance with section 21 of the Securities Market Act 1988:

Holder Name	Number Held	Percentage
Ordinary Shares		
Linda Jane Sanders*	1,983,200	8.443%
Christopher David Castle*	1,966,000	8.369%
Total Ordinary Shares on Issue:	23,490,449	100.000%
Listed Warrants (WIDWA)**		
Linda Jane Sanders*	967,400	11.374%
Christopher David Castle*	970,000	11.405%
C A Purcell & J A Ward	568,803	6.688%
Total Listed Warrants on Issue:	8,505,123	100.000%

* Christopher David Castle and Linda Jane Sanders jointly hold 1,862,800 ordinary shares and 917,400 listed warrants as trustees of the Sandcastle Trust. In addition, Christopher David Castle holds a further 103,200 ordinary shares and 52,600 listed warrants in his own name and Linda Jane Sanders holds a further 120,400 ordinary shares and 50,000 listed warrants in her own name.

** Each warrant confers a right to its holder to receive two ordinary shares of the Company upon payment to the Company of \$2.982. All warrants lapse if not exercised by 30 June 2012.

4. Directors' Security Holdings as at 19 May 2011

Director Name	Ordinary Shares 2010	Ordinary Shares 2009	Listed Warrants* 2010	Listed Warrants* 2009	Director Warrants** 2010	Director Warrants** 2009
L J Sanders	1,983,200	1,943,200	967,400	967,400	125,000	125,000
C D Castle	1,966,000	1,946,000	970,000	970,000	475,000	475,000
J E Hatchwell	290,268	270,268	144,334	144,334	100,000	100,000
KT Hindle	212,974	212,974	102,487	102,487	100,000	100,000
D D Kelly	359,560	339,560	125,281	125,281	-	-

*Each listed warrant confers a right to its holder to receive two ordinary shares of the Company upon payment to the Company of \$2.982. All listed warrants lapse if not exercised by 30 June 2012.

**Each director warrant confers a right to its holder to receive two ordinary shares of the Company upon payment to the Company of \$3.286. All directors warrants lapse if not exercised by 30 June 2012, are unlisted and are non transferable.

WIDESPREAD PORTFOLIOS LIMITED
Statutory Information
For the year ended 31 March 2011

1. Directors and remuneration

The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Details of the nature and the amount of each major element of emoluments of each director of the Company are:

<i>In thousands of dollars</i>	Fees	Share-based payment	Consultancy fees	Total
Widespread Limited				
L Sanders	20	-	-	20
C Castle	-	-	363	363
J Hatchwell	12	-	-	12
K Hindle	12	-	-	12
D Kelly	12	-	-	12

2. Entries recorded in the interests register

The following entries were recorded in the interest register of the Company during the year:

(A) Directors' interests in transactions

Company

The Group entered into a three-year contract with Mr C Castle & Nevay Holdings Limited, a company of which Mr C Castle & Ms J Hatchwell are directors, for the provision of investment advisory services. The contract's value is \$900,000 plus GST. The contract terms are based on market rates for these types of services, and amounts are payable on a monthly basis for the duration of the contract.

(B) Share dealings of directors

Company

None

(C) Loans to directors

Company

There were no loans to directors outstanding at 31 March 2011.

(D) Directors' indemnity and insurance

Company

The Company has insured all its directors and the directors of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their positions as directors. The insurance does not cover liabilities arising from criminal actions.

3 NZX Waiver

On 28 February 2011, NZX Limited granted the Company a waiver from NZSX Listing Rule 3.4.3. The waiver was necessary in order for the Company to implement an asset swap transaction with Chatham Rock Phosphate Limited.

Four directors of the Company are also directors of Chatham Rock Phosphate Limited and were, therefore, interested in this transaction. The waiver allowed the directors to vote (as directors) in relation to the transaction. Following shareholder approval of the transaction, it was completed on 31 March 2011.

WIDESPREAD PORTFOLIOS LIMITED
Statutory Information
For the year ended 31 March 2011

CORPORATE GOVERNANCE

ETHICAL STANDARDS

Widespread Portfolios Limited (the "Company") expects its directors and employees to act legally, ethically and with integrity in a manner consistent with the Company's policies, guiding principles and values. The Company has put measures in place to assist with achieving this expectation. These measures are available on the Company's web site.

ROLE OF THE BOARD

The Board of Directors of the Company is elected by the shareholders to supervise the management of the Company. The Board establishes the Company's objectives, overall policy framework within which the business of the Company is conducted and confirms strategies for achieving these objectives, monitors management's performance and ensures that procedures are in place to provide effective internal financial control.

The Board is responsible for guiding the corporate strategy and direction of the Company and has overall responsibility for decision making. The Board delegates to the Managing Director responsibility for implementing the Board's strategy and for managing the operations of the Company.

BOARD COMPOSITION AND PERFORMANCE

The Board currently comprises of five directors including the Chairman and the Managing Director.

The Board meets once every six weeks on a formal scheduled basis, and more frequently in order to prioritise and respond to issues as they arise. Board meetings are frequently held by conference call to reduce travel costs.

The Chairman of the Board is Linda Sanders. The Chairman's role includes managing the Board; ensuring the Board is well informed and effective; acting as the link between the Board and Chris Castle, the Managing Director; and ensuring effective communication with shareholders.

The Company does not at present have a formal director training programme.

BOARD COMMITTEES

The Board has two sub-committees: an Audit Committee and a Remuneration Committee. Denis Kelly, Keith Hindle and Jill Hatchwell are on the Audit Committee and Keith Hindle and Denis Kelly are on the Remuneration Committee. The Audit Committee currently has two independent directors. These are Dennis Kelly and Keith Hindle.

The Board has delegated certain of its responsibilities to these Committees. The decisions of these Committees are reported back to the Board in order to allow the other members of the Board to question committee members.

Given the nature of business of the Company and the internal financial controls that the Company has in place, it is not considered necessary to have an internal auditor in addition to an Audit Committee.

The Company has determined that it is not appropriate, nor in the best interests of its security holders to establish a Nomination Committee at this time. The Company considers it appropriate to deal with potential nominations at the full Board level and then leave the ultimate decision on Board composition to shareholders through any Board appointee being subject to re-election at the Company's next annual meeting.

REPORTING AND DISCLOSURE

Management accounts are prepared prior to each Board meeting and reviewed by the Board throughout the year to monitor performance against budget targets and objectives.

The Board must ensure that the Company makes all disclosures required at law in its Annual Report.

DIRECTOR REMUNERATION

Each Board member receives remuneration from a collective fee pool that is fixed by ordinary shareholder resolution from time to time and allocated between the directors by the Board as it sees fit.

The Company does not have a remuneration policy however the remuneration of all directors is disclosed each year in the Company's Annual Report. The level of fees payable to directors is to be of an amount approved from time to time by shareholders. Subject to shareholder approval and the relevant NZX Listing Rule requirements, the directors may be remunerated other than in cash by way of an issue of equity securities.

RISK MANAGEMENT

The Board reviews management practices in relation to identification and management of significant business risk areas and regulatory compliance. The Board regularly reports the risks associated with its investments on its website.

Under its constitution, the Company may obtain directors' and officers' liability insurance to cover directors acting on behalf of the Company.

SHAREHOLDER RELATIONS

The Company aims to ensure that shareholders are informed of all major developments affecting the Company affairs. Information is communicated to shareholders in the Annual Report, Interim Report, and regular NZX announcements. The Company maintains an email addresses register which any shareholder or stakeholder may request to be included on. All NZX announcements (other than those of an administrative nature) are sent to all recipients on the email register. The Company also maintains its website to provide comprehensive information about its operations, activities and investments.

STAKEHOLDER INTERESTS

The Company does not currently have any employees or material creditors. The Company's stakeholders are accordingly limited at present but will develop over time as the Company's investments develop.

The Board will remain cognisant of stakeholder interests as they develop and consider policies to deal with different stakeholders accordingly. The Company will maintain public information as described in these policies to give stakeholders access to relevant information.