ADVOCATING FOR THE NEXT GENERATION

The steps we are taking now will influence the shape of the Internet and our country for the next generation.

InternetNZ (Internet New Zealand Inc) is an open membership, incorporated society, established to promote and protect the Internet in New Zealand. It has overall responsibility for the .nz domain name space, and is an independent advocate for the interests of Internet users and domain name registrants in New Zealand and overseas.

Contents

Overview

Our vision is "The Internet, open and uncaptureable", driving New Zealand's social, economic and environmental development.

InternetNZ (Internet New Zealand Inc) is New Zealand's leading Internet advocacy organisation. Our vision is "The Internet, open and uncaptureable", driving New Zealand's social, economic and environmental development. Our mission is to protect and promote the Internet for New Zealand.

We provide independent, leading expertise to government, industry and community stakeholders on a range of Internet policy and technical issues. We maintain close links with the best in the business around the world, and apply that knowledge to the benefit of New Zealand. We also support public good initiatives including cyberlaw research, Internet safety, and technical empowerment, both locally and globally.

We favour self-regulation, but where appropriate we advocate stronger regulatory intervention should issues of market power threaten the openness and accessibility of the Internet. For example, InternetNZ was the primary advocate for government legislation to combat spam, culminating in the passing into law of the Unsolicited Electronic Messages Act 2007.

InternetNZ is also delegated manager of the .nz country code top level domain (ccTLD) and represents New Zealand at a global level through that role.

InternetNZ is a non-profit, open membership, incorporated society, overseen by a council elected from its members. There are two subsidiaries, the Domain Name Commission (DNC), which develops and enforces policies for .nz domain names, and .nz Registry Services (NZRS), which maintains and publishes the Register of .nz domain names, and operates the Domain Name System (DNS) for .nz.

Strategies

1. Management of .nz

1.1   Ensure that the .nz DNS meets the needs of Registrants.

1.2   Maintain a fair and competitive market for .nz Registrars.

1.3   Ensure .nz is operated to industry best practice following "industry best practice RFCs".

1.4   Maintain effective policies for the .nz space.

1.5   Promote .nz objectives internationally.

1.6   Develop and maintain effective relationships with key government and other organisations in New Zealand.

2. Advocacy and Public Policy

Goal: A policy and regulatory environment that ensures the security and stability of the Internet

2.1   To influence the development of New Zealand Government ICT and telecommunications policy.

2.2   To facilitate best practice and industry self-regulation.

2.3   To further the implementation of the New Zealand Government's Digital Strategy.

2.4   To contribute to the global governance and policy framework for the Internet.

2.5   To preserve the Internet's interoperability and end-to-end principles.

2.6   To assist the development and capability of ICT in developing countries in Oceania.

3. Technical Development and Innovation

Goal: World-class Internet infrastructure and capability in New Zealand

3.1   To promote the development and adoption of next generation Internet technologies, applications and standards by industry and government.

3.2   To further the security and stability of the Internet and promote the use of open technical standards and best practice.

3.3   Professional development of the Internet technical community.

4. Organisational Capability

Goal: An organisation capable of delivering the Society's Objectives and Strategic Plan

4.1   To ensure excellent governance of InternetNZ.

4.2   To support volunteers and members.

4.3   Reputation and external relations.

4.4   Maintaining institutional knowledge and staff capacity.

President's Report

An upcoming challenge will be to define and provide support for the beneficial changes that will come from ubiquitous connectivity.

InternetNZ is close to meeting one of its major policy goals. In 2008 both the leading political parties committed to spending significant public funds on broadband infrastructure. While the Government's Broadband Investment Initiative won't connect every home in the short term, it does confirm that a connected New Zealand is seen as a vital part of the future. We can reflect on our efforts with some satisfaction.

The Society will now seek to ensure that neither financial woes nor political expediency shrink the Government and the commercial investment pots. Our advice and guidance will support the evolving network models and we'll continue to monitor the progress of Telecom's new structure.

An upcoming challenge will be to define and provide support for the beneficial changes that will come from ubiquitous connectivity. InternetNZ is uniquely positioned to track the consequential shifts in society and provide sound public policy advice, not forgetting also that a certain proportion will never be connected and should not be disadvantaged.

As connection becomes intrinsic we will change the way our advocacy works. InternetNZ will need to engage directly with new organisations, regional service providers and the many ventures that will spring up as new models of business settle in. These evolving roles will force InternetNZ to adapt and new skills will be required. Members and Council have a significant role in providing governance through this evolution.

My term as President concludes at this year's AGM and I will not be standing for re-election. It has been a privilege to lead InternetNZ for the last two years and I intend to continue my involvement. When I was asked to stand as President I accepted the nomination with the view that it was a transitional presidency, while the Westlake Report-recommended and member-approved Structural Review was implemented.

The Structural Review will be reviewed. Most of its provisions have been beneficial, putting the organisation in a strong position for ongoing success. The model for the Executive Board did not work out as planned, with several practical issues making the structure unworkable. Council sought changes and consequent to that the Executive Board made the decision to stand down. The Council has appointed Richard Currey as Acting CEO. Staff members have been kept informed and have confidence in Council's actions.

Once this interim structure has settled in, it will be time to learn from our experiences and consider a structure that reflects the evolving nature of InternetNZ, while continuing to deliver the outcomes our members expect.

I continue to be impressed by the quality of work, great attitude and dedication of the InternetNZ staff. We have a wonderful team that has provided strong and positive support for me as President. Thank you all.

To further strengthen the organisation, InternetNZ is seeking to have less dependence on .nz for funding. This means developing other revenue sources by leveraging the skills, infrastructure and trustworthiness of our current operation. For example, opportunities exist in providing registry services not just to domain name providers but to any organisation that needs to manage a secure registry for items of value. We have established a committee for business development and the goal is for at least one-third of InternetNZ's revenue to come from non-traditional sources in 2012.

Most of the targets I set to tackle as President are either complete or very close to completion. I feel comfortable handing over the reins and supporting my successor. InternetNZ is a remarkable and unique organisation, with unusual characteristics and a distinct culture. Its ongoing success is due to the members, councillors and staff who contribute to the work and culture. I hope to be part of this for as long as needed.

Peter Macaulay
President

Executive Director's Report

The political debate over broadband during the election was elevated to how to achieve fibre-to-the-home rather than whether or not to do it.

2008 - 2009 was another defining year for the protection and development of the Internet in New Zealand. We made substantial progress in the drive towards fibre-to-the-home; we fought the threat of termination of Internet accounts over copyright issues; we gave many other public policy and technical policy areas significant attention; and we helped a number of related organisations nationally and internationally with secretariat, financial and other support.

Other sections of this report showcase the variety of work in technical and public policy areas. However, a highlight for me has been how the political debate over broadband during the election was elevated to how to achieve fibre-to-the-home rather than whether or not to do it.

The announcement by the National Party early in the election cycle put a national fibre network on the agenda and InternetNZ was able to nimbly switch its focus, commissioning valuable technical and economic research into how such a network might be created. That research has fed into the new Government's thinking.

Another significant development has been government acceptance of the need for leadership in encouraging IPv6 deployment and the initiative to form an across-industry Steering Group. This has enabled a very promising multi-stakeholder approach to be taken, with InternetNZ no longer being seen as a lone voice. The much-anticipated IPv6 Hui can now be undertaken.

InternetNZ continues to invest in and maintain good relationships with those in government, sibling organisations, commercial ventures and local government. These efforts have enabled InternetNZ to maintain and grow its influence and generate a high degree of respect for its policy positions. Already, engagement with incoming politicians has been positive.

Alongside the advocacy work that we do, a lot of thought this year has also gone into how we set priorities and best structure operations in the Executive Director's office. During 2008 - 2009 significant effort was expended trying a new structure for setting and delivering policy. This included the formation of an Executive Board, which ceased to exist on 31 March, and the creation of a Policy Advisory Group (PAG).

The PAG, largely using email discussion, replaces the previous public and technical policy committees, which relied more heavily on formal attendance. It represents greater opportunity for involvement by members on policy issues, and much effort has gone into ensuring as many members as possible are aware of the group's email list and have signed up.

Our other internal and external communications continue to develop, with ongoing improvements to the website and an increased amount of contact with the media. Coverage of our policy positions and activities has been overwhelmingly positive.

The future bodes well for InternetNZ in respect of policy and advocacy. The job of protecting the Internet will never be complete and the job of developing the Internet is also never-ending.

This is my last annual report as Executive Director. My contract in that role ceases at the AGM this year. I look back over the four years I have been in this role with great satisfaction at the progress my team has made, and the positive contribution we have made to the New Zealand Internet landscape. It hasn't always been plain sailing, but I have appreciated the opportunity to work with a fantastic staff and interesting groups of governors over this period. I have agreed to a part-time, contract-based role within InternetNZ, focusing on international relationships.

Thank you for the insights and ideas that have come from all around the Society over the past few years. In my new role I look forward to many more.

Keith Davidson
Executive Director

Highlights

Broadband/Fibre Campaign

Broadband remains a significant feature of InternetNZ's work programme, with independent consulting firm Network Strategies commissioned in 2008 to assess broadband strategy options for New Zealand. The Network Strategies report was the first publicly released comprehensive costing model for a fibre network in New Zealand. It concluded that utility expansion provides the best opportunity for improving broadband infrastructure.

Broadband also featured heavily on the political agenda, with both Labour and National pledging to support fibre rollout and the incoming Government subsequently moving ahead on its plans. InternetNZ continues to develop policy workstreams in respect of fibre rollout.

Cyberlaw Fellowship

The Cyberlaw Fellowship is a joint project funded by InternetNZ and Victoria University's Law Faculty. The third Cyberlaw Fellow, Cynthia Laberge, spent 2008 - 2009 researching privacy law, focusing on changes to the status of individual privacy rights in the post-September 11 world. Her main research focus has been on the United States and its responses in terms of data matching to heightened perceived threats to law and order/national security from terrorist activity. Her research paper is expected to be published in the coming year.

Above: **Cynthia Laberge,** 2008 - 2009 Senior Research Fellow in Cyberlaw at Victoria University's Law Faculty.

History of the Internet

A 700-page book documenting the history of the Internet in New Zealand was published in August 2008. The book, Connecting the Clouds – The Internet in New Zealand, was commissioned by InternetNZ to chronicle the people, activities and events that contributed to the creation and growth of the Internet in New Zealand. The book was authored by journalist Keith Newman and has been reproduced on a wiki (nethistory.co.nz) for people to refine and keep up to date over time.

Honeypot Project

The Honeypot Project was a Victoria University initiative carried out in 2008 - 2009 and funded by InternetNZ. It involved an environmental scan of the .nz domain name space to detect malicious web content, using client honeypot technology created by Victoria University computer scientists. InternetNZ received a range of useful reporting from the project and socialised the study internationally to encourage other ccTLDs to undertake Honeypot-like projects.

Internet Debate and Pre-Election Survey

InternetNZ organised a televised ICT debate in September 2008, aimed at increasing public understanding of technology policy issues ahead of the General Election. The debate saw ICT spokespeople from the main political parties go head-to-head on a range of issues including broadband, convergence, copyright, cybersafety and the digital divide. InternetNZ also undertook a survey of political parties in the run-up to the General Election, canvassing views on broadband infrastructure, international connectivity, digital divide, copyright, cybersafety and emerging technologies such as IPv6.

InternetNZ Fellow

Long-standing InternetNZ member Peter Dengate Thrush was appointed a Fellow of the Society in July 2008. InternetNZ Fellowships recognise members of the Internet industry who have made an outstanding contribution to the development of the Internet in New Zealand or to the Society. Dengate Thrush is Chair of ICANN and was recognised because of his long and distinguished record of contribution to Internet policy issues both nationally and internationally.

Internet Patents

InternetNZ continues to provide funding to a patent monitoring service – the IPWATCH database (www.ipwatch.internetnz.net.nz) – where members of the public can be notified of and view Internet-related patent applications.

IPv6 (Internet Protocol Version 6)

InternetNZ continued to champion the New Zealand conversion to IPv6, educating telecommunications carriers, Internet Service Providers (ISPs) and corporates on the importance of the protocol. InternetNZ hosted sold-out IPv6 technical workshops in Christchurch and Auckland in 2008 and participated in the establishment of the New Zealand IPv6 Steering Group, tasked with developing an IPv6 transition plan for New Zealand. The Society's website has also been IPv6-enabled.

NetSafe

InternetNZ has a strategic partnership with NetSafe Inc, an important sibling organisation that provides the general public with cybersafety advice. NetSafe subsidiary Hector's World is a world-leading cybersafety resource for young children, which last year launched in the United Kingdom. InternetNZ has made available $200,000 in funding for its ongoing development.

NZNOG – New Zealand Network Operators' Group

NZNOG is an independent structure for which InternetNZ provides ongoing secretariat and sponsorship support. This year's NZNOG conference, held in Auckland in January, attracted over 150 network operators and featured expert speakers on technical subjects including IPv6 and DNSSEC. The year also saw InternetNZ help NZNOG establish a more formal structure, with a charitable trust deed finalised and signed in March 2009.

Copyright

InternetNZ invested significant time and effort lobbying against section 92A of the Copyright (New Technologies) Amendment Act. The Society worked with rights holders, ISPs and the Government to try and implement the legislation in the least harmful way, participating on a working group to develop a self-regulated Copyright Code of Practice for ISPs. Lobbying by other concerned citizens also culminated in a high-profile online blackout campaign and a protest at Parliament in February 2009. Section 92A was placed on permanent hold in March 2009, pending replacement legislation, and work on the Code of Practice was stopped.

"Termination of internet accounts for copyright infringement is a disproportionate response and unfit for purpose. New Zealanders need to remain vigilant."

SECTION 92A

NZCERT – New Zealand Computer Emergency Response Team

InternetNZ lobbied hard in 2008 - 2009 to get the Government to commit to establishing an NZCERT. The Society held a workshop in September 2008, bringing together key stakeholders from government and industry to discuss CERT models worldwide and possible models for New Zealand. The Government's plans for a CERT are now in a policy development phase.

World Internet Project (WIP)

InternetNZ contributed funding to the WIP New Zealand Survey, part of an international research initiative that tracks global trends in Internet use. The first New Zealand report was released in July 2008 and highlighted some interesting aspects of New Zealand's digital divide and confirmed New Zealand's woeful uptake of broadband. This significant piece of international research will, over time, prove to be a valuable input into ICT policy-making, particularly through its comparison of Internet trends in New Zealand with those in other countries.

Other Activities

Other technical development and innovation initiatives advanced in 2008 - 2009 included Broadband Measurement, the Industry Best Practice Programme, and Certificate Authority.

Submissions to Government

InternetNZ continued its interaction with the Government and Parliament on a range of legislative and regulatory issues. Over a dozen submissions to government agencies were filed, including major submissions on the Anti-Counterfeiting Trade Agreement, the Accounting Separation of Telecom and on a review of Next Generation Networks. A briefing paper was written to incoming Ministers.

International Activity

APTLD – Asia Pacific Top Level Domain Association

APTLD is the association for ccTLD managers in the Asia Pacific region. In 2008 - 2009 InternetNZ provided secretariat support and attended all APTLD meetings. The Society continues to actively engage with APTLD, gaining valuable information regarding technological and operational issues of domain name registries in the Asia Pacific region.

ICANN – Internet Corporation for Assigned Names and Numbers

InternetNZ has been a longtime supporter of ICANN, the private sector, non-governmental institution that coordinates the technical resources at the Internet's heart – the global DNS root. The Society continued its participation at ICANN meetings internationally, in Paris, Cairo and Mexico City. A focus for ICANN in 2008 - 2009 was

IDNs (Internationalised Domain Names), which allow for resolution of domain names in local languages and scripts. Policy work was also started on a process for creation of new gTLDs.

Event Sponsorships

InternetNZ was pleased to support a variety of Internet-related events in 2008 - 2009, including the:

- Impact '08 Seminar Series
- APNIC 26 Conference
- Software Freedom Day
- 2008 Open Source Awards
- eDay 2008
- Kiwicon Conference.

Policy Advisory Group

In late 2008 the Policy Advisory Group (PAG) was formed to provide a platform for expanded membership involvement. The PAG replaces the Society's Public Policy and Technical Policy Committees, operates through a mailing list, and is open to all members.
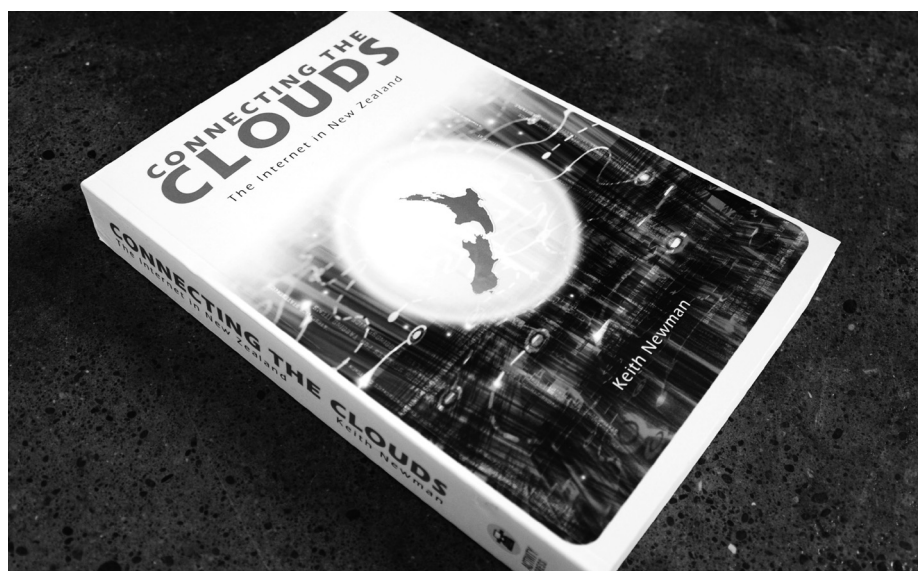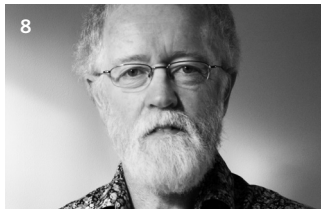

Left: **Connecting the Clouds,** a 700-page book documenting the history of the Internet in New Zealand.
Above: **eDay volunteers** sorting monitors for recycling.
Photo courtesy 2020 Communications.

InternetNZ Directory

The Council

1. **Peter Macaulay**

   President 2007 - 2009, Council 2005 - 2007,
   Executive Director 2002 - 2005

2. **Frank March**

   Vice President 2007 - 2009, Secretary 1997 - 2001
   Council 1994 - 1997, 2006 - 2007
   InternetNZ Fellow – awarded 2001

3. **Jamie Baddeley**

   Council 2006 - 2011

4. **Liz Butterfield**

   Council 2007 - 2009
   InternetNZ Fellow – awarded 2006

5. **Donald Clark**

   Council 2008 - 2011

6. **Stewart Fleming**

   Council 2007 - 2009

7. **Michael Foley**

   Council 2007 - 2009

8. **Neil James**

   Council 2008 - 2010
   InternetNZ Fellow – awarded 2001

9. **Hamish MacEwan**

   Council 2007 - 2009

10. **Jonny Martin**

    Council 2006 - 2010

11. **Judy Speight**

    Council 2006 - 2009

12. **Chris Streatfield**

    Council 2008 - 2011, Secretary 2006 - 2008
    Treasurer 2002 - 2006, Council 2001 - 2002

13. **Michael Wallmannsberger**

    Council 2008 - 2011, Treasurer 2006 - 2008
    Secretary 2003 - 2006, Council 2002 - 2003

The Internet in New Zealand

Overall Internet Use – Respondents Age 18 and Older

%

Country
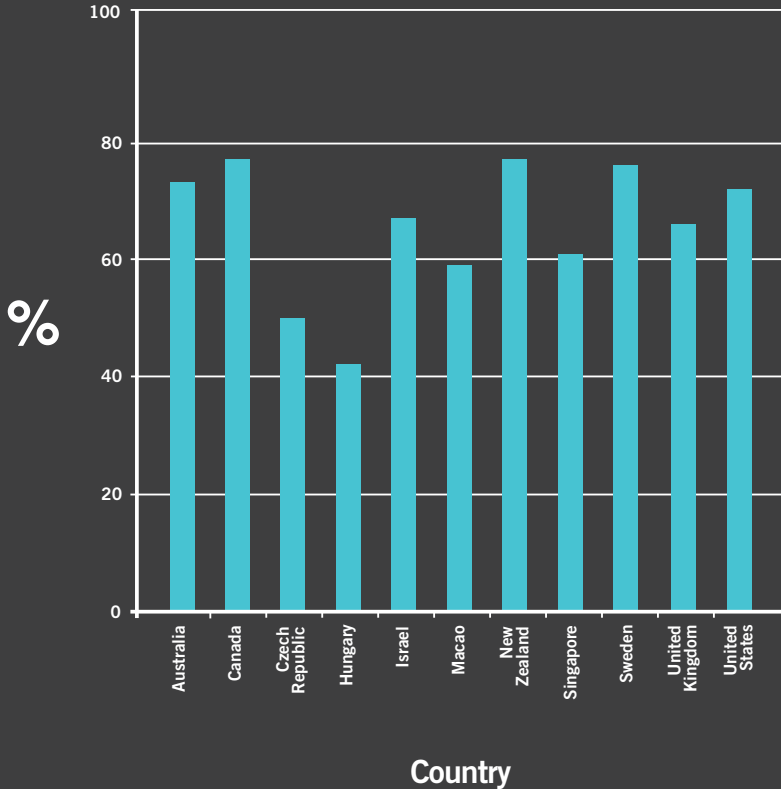
"The World Internet Project provides meaningful statistical information on the New Zealand Internet, where previously only opinion and anecdote existed."

Internet Use by Income Level – Respondents Age 18 and Older

%

■ Lower 50%
■ Upper 50%

Country
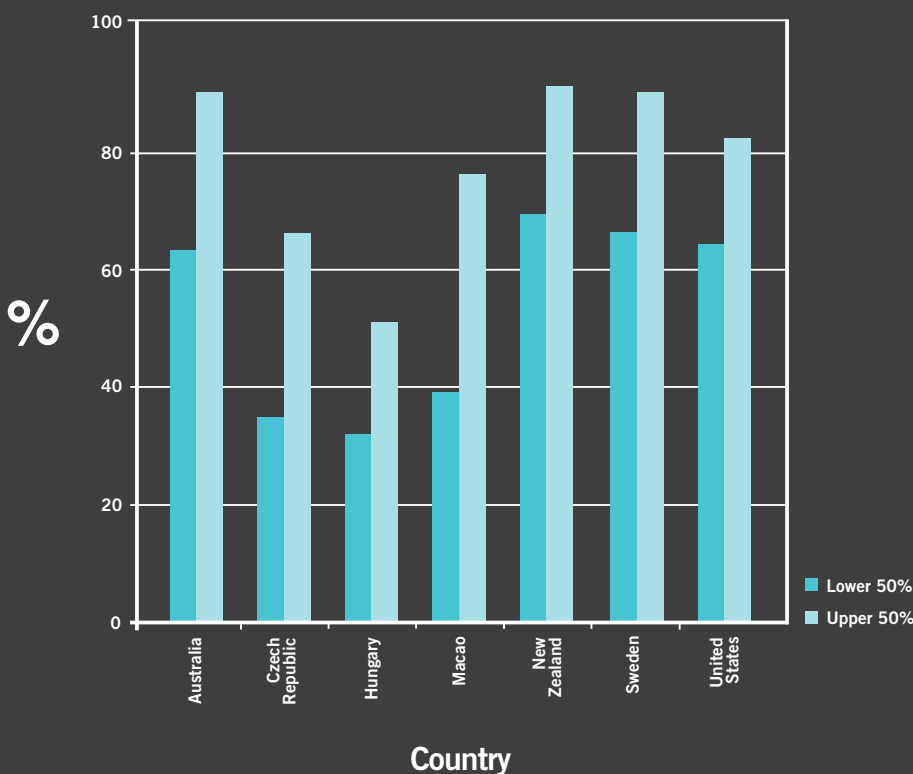
"Internet access and usage in New Zealand are strongly related to age, income and area of residence."

OECD Broadband Subscribers – Per 100 Inhabitants by Technology, June 2008

Source: OECD

Legend: DSL | Cable | Fibre/LAN | Other

X-axis (Country): Denmark, Netherlands, Norway, Switzerland, Iceland, Sweden, Korea, Finland, Luxembourg, Canada, United Kingdom, Belgium, France, Germany, United States, Australia, Japan, Austria, New Zealand, Spain, Ireland, Italy, Czech Republic, Hungary, Portugal, Greece, Poland, Slovak Republic, Turkey, Mexico
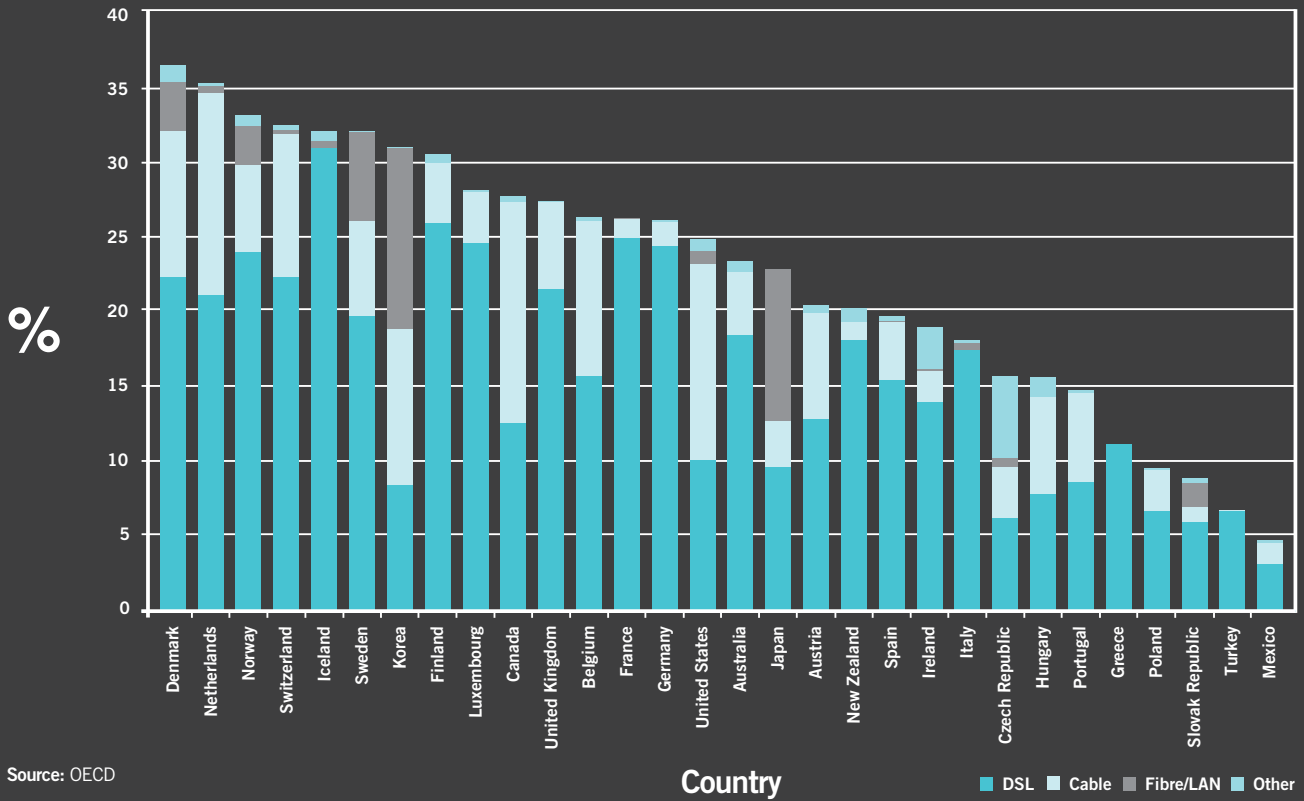
Internet Connection at Home – Respondents Age 18 and Older
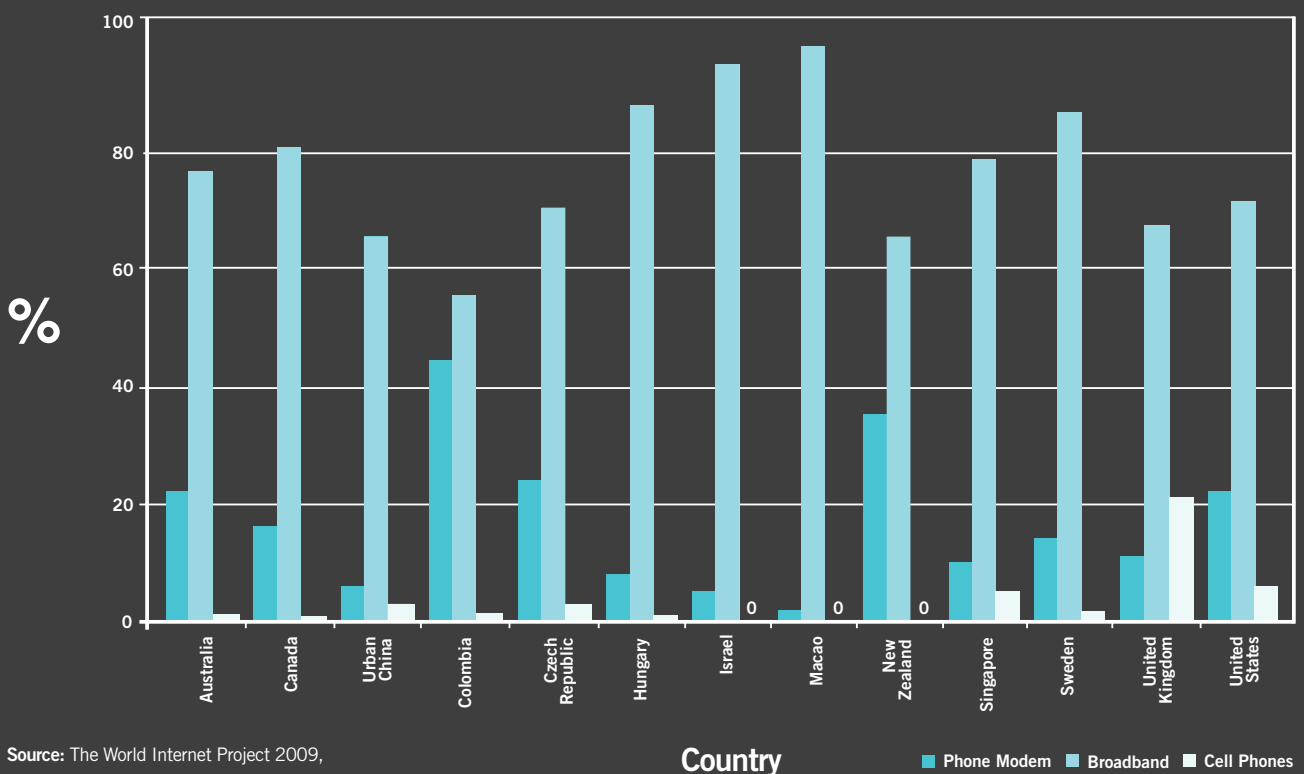
Source: The World Internet Project 2009,
USC Annenberg School Center for the Digital Future

Legend: Phone Modem | Broadband | Cell Phones

X-axis (Country): Australia, Canada, Urban China, Colombia, Czech Republic, Hungary, Israel, Macao, New Zealand, Singapore, Sweden, United Kingdom, United States

Auditor's Report

To the Members and Stakeholders of Internet New Zealand Incorporated and its subsidiaries

We have audited the financial report on pages 2 to 17. The financial report provides information about the past financial performance of Internet New Zealand Incorporated and its subsidiaries (the Society and Group) and their financial position as at 31 March 2009. This information is stated in accordance with the accounting policies set out on pages 7 to 11.

Council's Responsibilities

The Council is responsible for the preparation of a financial report which fairly reflects the financial position of the Society and Group as at 31 March 2009 and the results of operations for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express to you an independent opinion on the financial report presented by the Council.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing: the significant estimates and judgements made by the Council in the preparation of the financial report; and whether the accounting policies are appropriate to the Society and Group's 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 report is 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 report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society and Group.

Unqualified Opinion

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

In our opinion the financial report on pages 2 to 17 fairly reflects the financial position of the Society and Group and the results of operations for the year ended on that date.

Our audit was completed on 5 June 2009 and our unqualified opinion is expressed as at that date.

Grant Thornton

Grant Thornton
Wellington
8 June 2009

Grant Thornton

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Page number references in this report refer to the full Financial Statements, which can be found on our website – www.internetnz.net.nz

Financial Statements

Annual Report – For the Year Ended 31st March 2009

Financial Result

The Group Net Profit for the year, after taxation, was $813,887 (2008 $590,928).

	2009		2008	
	PARENT	**GROUP**	**PARENT**	**GROUP**
Retained Earnings as at 1 April	2,333,707	5,897,379	2,493,607	5,306,451
Net Profit (Loss) After Taxation	(166,995)	813,887	(159,900)	590,928
RETAINED EARNINGS AS AT 31ST MARCH	$2,166,712	$6,711,266	$2,333,707	$5,897,379

Dividend

Dividends of $2,112,000 were received from New Zealand Domain Name Registry Limited, a wholly owned company, for the year ended 31st March 2009 (2008 $1,700,000).

Remuneration of Council

During the year Council received the following remuneration:

FEES PAID	
Peter Macaulay – President	24,000
Frank March – Vice President	10,500
Jamie Baddeley	7,250
Scott Bartlett	769
Liz Butterfield	7,250
Stewart Fleming	7,250
Michael Foley	7,250
Neil James	6,000
Hamish MacEwan	7,250
Jonny Martin	7,250
Carl Penwarden	1,250
Sam Sargeant	2,400
Judy Speight	7,250
Chris Streatfield	9,000
Michael Wallmannsberger	9,450
TOTAL	$114,119

For and on Behalf of the Council

Peter Macaulay
President
5 June 2009

Frank March
Vice President
5 June 2009

The Notes form part of these Financial Statements and should be read in conjunction with them.

Income Statement – For the Year Ended 31st March 2009

	NOTE	2009 PARENT	2009 GROUP	2008 PARENT	2008 GROUP
Management Fees		-	-	996,000	-
Registry Fees		-	6,361,318	-	6,072,686
Other Income		41,557	159,696	92,560	184,031
		41,557	6,521,014	1,088,560	6,256,717
LESS EXPENSES					
Registry Services		-	1,702,246	-	1,423,371
Domain Name Commission		-	659,618	622,790	622,790
Public Policy		507,788	507,788	503,576	503,576
Society		987,641	965,060	738,927	738,927
Technical Leadership		99,034	99,034	173,964	173,964
Audit Fees		6,401	25,105	8,250	22,645
Employee Remuneration		639,771	1,494,540	849,275	1,217,768
Finance Cost		45,074	51,134	-	-
Depreciation & Amortisation	5,6	31,076	208,470	31,040	193,631
Rent		46,212	214,958	114,097	218,838
TOTAL EXPENSES		2,362,997	5,927,953	3,041,919	5,115,510
NET OPERATING PROFIT		(2,321,440)	593,061	(1,953,359)	1,141,207
PLUS:					
Dividend Income		2,112,000	-	1,700,000	-
Interest		42,445	660,396	93,459	661,109
NET PROFIT (LOSS) BEFORE TAXATION		(166,995)	1,253,457	(159,900)	1,802,316
LESS:					
Income Tax Expense	1	-	439,570	-	1,211,388
NET PROFIT (LOSS) AFTER TAX		($166,995)	$813,887	($159,900)	$590,928

The Notes form part of these Financial Statements and should be read in conjunction with them.

Statement of Changes in Equity – For the Year Ended 31st March 2009

	2009		2008	
	PARENT	**GROUP**	**PARENT**	**GROUP**
RETAINED EARNINGS				
Opening Retained Earnings	2,333,707	5,897,379	2,493,607	5,306,451
PLUS:				
Net Profit (Loss) After Taxation	(166,995)	813,887	(159,900)	590,928
RETAINED EARNINGS AT 31ST MARCH	$2,166,712	$6,711,266	$2,333,707	$5,897,379

The Notes form part of these Financial Statements and should be read in conjunction with them.

Balance Sheet – As At 31st March 2009

	NOTE	2009 PARENT	2009 GROUP	2008 PARENT	2008 GROUP
CURRENT ASSETS					
Cash and Cash Equivalents	3	1,518,686	9,983,001	2,522,489	9,437,896
Other Current Assets	4	104,436	1,377,158	84,308	978,012
TOTAL CURRENT ASSETS		1,623,122	11,360,159	2,606,797	10,415,908
PROPERTY, PLANT & EQUIPMENT	5	67,579	339,451	58,444	356,486
INVESTMENTS					
Shares in Subsidiary		610,000	-	30,000	-
Hector's World Limited Loan	9	94,926	94,926	-	-
TOTAL INVESTMENTS		704,926	94,926	30,000	-
INTANGIBLE ASSETS	6	3,955	22,619	2,724	31,369
TOTAL ASSETS		2,399,582	11,817,155	2,697,965	10,803,763
LESS LIABILITIES: CURRENT LIABILITIES					
Deferred Income – Current		-	3,156,877	-	3,024,184
Trade and Other Payables	7	232,870	633,841	364,258	681,631
TOTAL CURRENT LIABILITIES		232,870	3,790,718	364,258	3,705,815
TERM LIABILITIES					
Deferred Income	12	-	1,315,171	-	1,200,569
TOTAL LIABILITIES		232,870	5,105,889	364,258	4,906,384
NET ASSETS		$2,166,712	$6,711,266	$2,333,707	$5,897,379
REPRESENTED BY:					
TOTAL EQUITY		$2,166,712	$6,711,266	$2,333,707	$5,897,379

For and on Behalf of the Council

Peter Macaulay
President
5 June 2009

Frank March
Vice President
5 June 2009

The Notes form part of these Financial Statements and should be read in conjunction with them.