Annual Report 2010

How innovative minds at New Zealand's MetService are changing the outlook for individuals and businesses around the world...

Contents


EXIT

Roadside weather stations keep roads open and make motoring safer

Smart use of roadside weather stations is helping to reduce ice on New Zealand roads and keep them open during winter. This is vital for the economy. Even more important is the safety of motorists.

Freezing conditions can strike the country's roads any time between mid-April and the end of October. Before 2008, decisions to close roads relied heavily on observation and experience. New technology has changed all that, says Peter Hollingsworth, MetService's industry market manager. In fact, it's making our roading network safer all year round.

In winter 2008, a MetService trial with the NZ Transport Agency saw 12 weather stations installed along the Desert Road that cuts across the North Island's central plateau. Each station is linked to sensors that feed back real-time data on wind speed and direction, rainfall, temperature and relative humidity. Other sensors the size of large mobile phones are embedded in the road to record surface temperatures and conditions.

The weather stations help predict when and where roads will ice over, Peter says. They also assist in monitoring the best methods to keep roads open and safe.

Under some conditions, grit is spread to stop vehicles skidding. It's cheap and efficient. But it's invasive, scatters quickly, and is tough on the road surface and vehicles.

If rain isn't forecast, spraying an ice inhibitor is an option. A chemical known as CMA stops ice sticking to the road. A car will break and scatter the ice rather than skid over the rock-hard surface. CMA is environmentally friendly but not cheap. A road spraying that might last 24 hours costs thousands of dollars.

Sensors have also improved thermal maps provided to NZTA by Finnish company Vaisala, MetService's partner. Thermal mapping records road properties under various conditions. Forecasts can then be more accurately applied along the length of the road. Before sensors, road maintenance contractors used to drive up and down ice-prone roads at night and record the temperatures.

All this is good news for motorists. Extreme weather can still close our roads, but that's becoming less common. Updates on conditions can be transmitted on big roadside screens. Early warnings mean unwary motorists are more likely to take care and less likely to be caught in long traffic queues.

The central plateau trial was such a success that MetService is installing around 40 weather stations throughout the country for NZTA. Their uses grow all the time. One on the Auckland harbour bridge monitors wind strength. Others help deal with seasonal downpours and mid-summer heat that bakes road surfaces.

Motorists can have peace of mind knowing our roads are safer and that they're more likely to get through.

The latest weather technology is minimising driving hazards from snow and ice, high winds and summer heat.


Skype File Edit View Account Contacts Call Chat Window Help
02:19 | Call with Tony Ramsay
Video Share More
Hang Up
Dominic Cavanagh
Profitable and well organ
by highly skilled enthusia
and alert people
passionate about the
of our company

FAST Trader – predictive, pre-emptive, profitable

In the high-stakes world of energy trading, speed and accuracy are everything. Demand for gas soars in a cold snap. Prices do the same. How then to get the latest weather information into traders' hands first so they have the edge when buying and selling?

Enter Tony Ramsay and Dominic Cavanagh, market managers for MetService's international subsidiary, Metra. The London-based pair knew traders would happily pay up for fast, accurate forecasting – not surprising when 15 million euros can be outlaid in a single deal. A constant gas supply to households and businesses is critical.

First, Tony and Dom had to convince their bosses that they had a product idea to stay ahead of the pack. They knew the business case stacked up. In December 2009 they were given the green light and a budget to play with.

Working closely with four energy trading companies, Tony and Dom came up with FAST Trader. A custom-designed web interface, it combines real-time weather data with the latest forecasts, set in the context of 10-year climate patterns.

FAST Trader needed not just the best science, but the best design. MetService had always developed its web products in-house, but this time an external developer was brought in. That was new territory too.

When traders log on at 7.30am daily, they can quickly spot commercial opportunities using FAST Trader. The on-screen tables and charts change constantly as new weather data is fed in. Most traders are looking 10-15 days out, a real test for weather forecasters.

But Tony and Dom have always backed their product. They've even included a design feature comparing Metra's forecast performance with its competitors. That's been the clincher, Dom reckons; traders can see at a glance that Metra beats the field.

Cold-calling dozens of traders has been the ultimate sales challenge. A commodity trader gives them, on average, 12 seconds to make their sales pitch. Above all, traders want a top product. Metra's excellent reputation in the UK and Europe also helps.

In February this year, less than two months after the go-ahead from MetService, the first customer signed up. Now, 11 big banks, utilities, hedge funds and oil companies are on board.

Tony and Dom plan to double their clients in the UK gas market, then move into Europe's electricity market, which is four times as large as UK gas.

MetService's act of faith has paid off.

By fostering ingenuity, MetService has grabbed the initiative in the high-stakes world of energy trading, where accurate and timely forecasts can be worth millions.

Early weather warnings save lives

A free MetService web product and support from our Wellington team are helping South Pacific countries manage early warnings of severe weather. Heavy rain, strong winds and large waves that smash across the Pacific can be devastating for the thousands of people who live on scattered, low-lying islands.

The earlier the warning, the more likely that people and property can be saved. MetService, working with the World Meteorological Organization (WMO) and Australia, UK, USA and eight Pacific Islands, came up with a way to help.

An early weather warning system successful in southern Africa was on the agenda at an international meeting in April 2009. The WMO, an arm of the UN, wanted to apply it to the Pacific. It occurred to Peter Fisher, MetService's international operations manager, that MetConnect, a weather web delivery system, could be adapted.

Super computers in the UK, United States and Europe generate masses of global weather information that would cripple island internet systems. So we re-built the back end and designed a new website based on the MetConnect template.

There's another difference. Commercial users pay for MetConnect. But MetConnect Pacific, as we called its offshoot, is free. We see it as part of our regional and good Pacific neighbour responsibilities.

Just five months after the meeting, MetConnect Pacific began providing five-day outlooks for heavy rain, strong winds, large waves and tropical cyclones across the South Pacific.

In September 2009, at the start of the cyclone season, Peter and meteorologist James Lunny were in Samoa and Fiji training locals on MetConnect Pacific. By the time they repeated the training in the Solomon Islands and Vanuatu a month later, the Pacific tsunami had struck. Local forecasters were lining up to learn more.

"They would come in after their shifts finished and on their days off," Peter says. "They just wanted to be part of the programme."

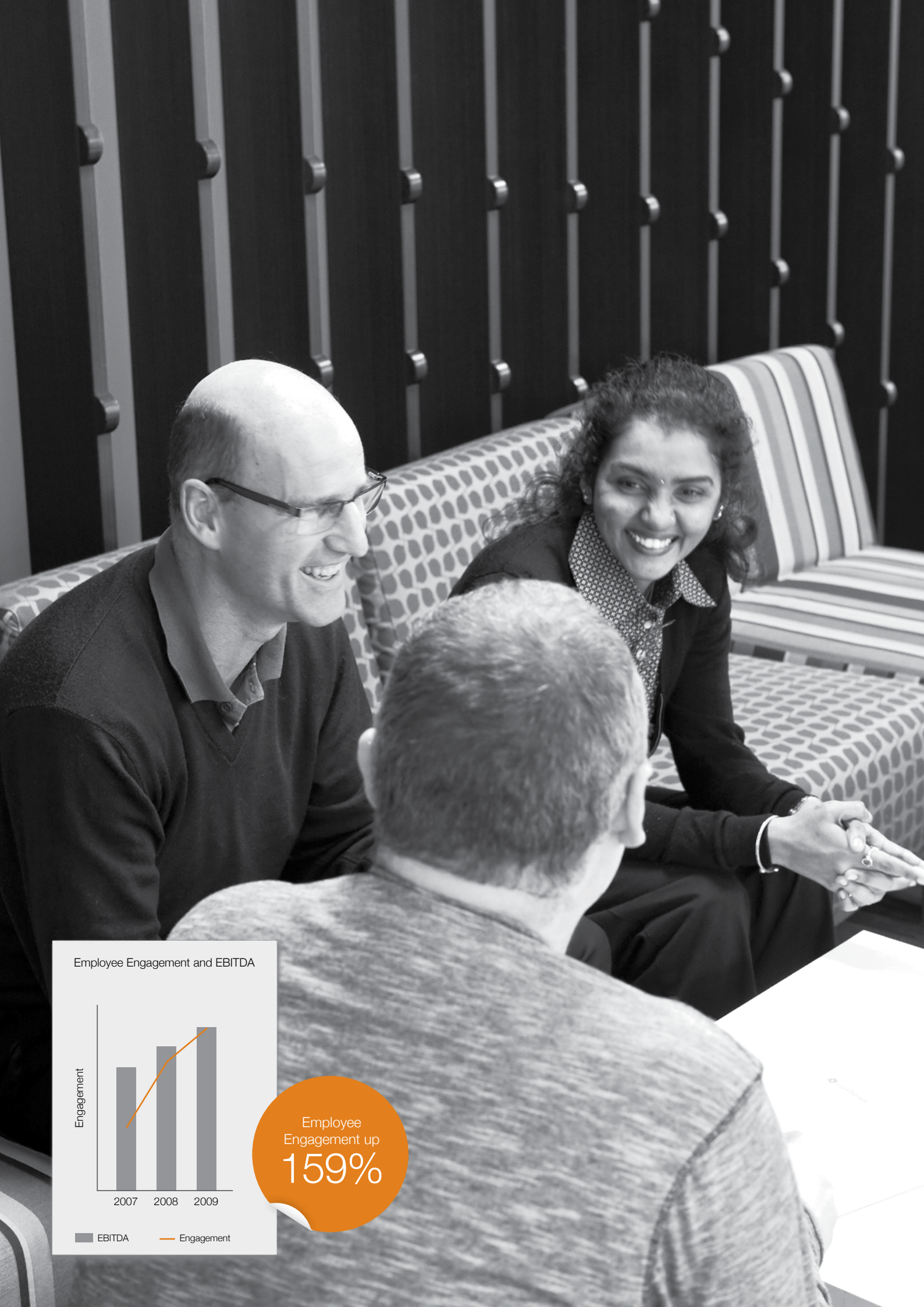
Island Met offices are often closely involved in local civil defence. MetConnect Pacific means they don't have to trawl through many websites and other data to keep up with the weather. As one trainee put it, "It's like going to a mall with everything you need right there, like a one-stop shop".

The new service soon proved its worth. In March 2010, Solomons' forecasters watched tropical cyclone Ului gather strength five days out. They issued warnings about a category-five cyclone, the worst. Flights were cancelled and vessels stayed in port as Ului brushed across the southern islands. In spite of severe damage to homes, no lives were lost.

There's been more training in Kiribati, the Cook Islands and Tonga in 2010. Niue and Tuvalu are next. Japan and France are expected to add their information to the project in the near future.

"It's a great example of people and organisations across different countries working towards a common good," Peter says.

A new MetService web platform is giving South Pacific islands precious time to prepare for severe weather.


Employee Engagement and EBITDA
Engagement
2007
2008
2009
EBITDA
Engagement
Employee
Engagement up
159%

Surveys reveal striking turnaround in staff engagement

Giving staff a bigger say in MetService is paying off. There's a new workplace culture, says Trevor Davie, the Observing Network Support Manager at the Paraparaumu workshop.

Trevor has come up through the ranks. "We've always been keen on what we do, but because we're well away from our other offices, we haven't always felt that connected to the company. Now the guys are given more opportunity to have a say in the running of the place."

In 2007, MetService began using annual Gallup surveys to measure employee engagement: the extent to which staff are committed to and believe in an organisation. Gallup's a worldwide leader in workplace dynamics. Their research shows that engaged employees work better and safer, stay longer, and are more likely to come up with ideas to improve the bottom line.

This is important for MetService. Weather data is more than facts and figures. The future lies in interpreting, packaging and presenting it.

In Gallup's first survey, Metservice staff engagement was in the lowest quartile compared to other companies. Two years later, the survey showed a big turnaround: staff engagement is now ranked amongst the highest of New Zealand companies and closing rapidly on worldwide best practice.

Feeding the survey results back to staff and using them to drive action plans has been the key to the culture change. At regular monthly meetings, teams sometimes come up with big-picture ideas, Trevor says. The Paraparaumu workshop technicians were delighted with a new fibre-optic connection that greatly speeded up access to head office.

But more often than not, it's the small stuff: recycling, better outdoor facilities, test equipment and tools, safety improvements such as additional ladder brackets. Not everything his team suggests gets delivered, but there's a sense they're being listened to. Blogs and HR forums, along with people within the company talking to other departments about their work, have all contributed to this.

Across the organisation, action plans have led to leadership development programmes, a major head office refurbishment to make the work space more open and collegial, and technological upgrades. The programme is now branded internally as 'OneTEAM': Team Engagement At MetService.

Staff have responded to management's new openness and are keen to have to their say. Up to 98 percent of MetService's 220 employees take part in the Gallup surveys. Anything above 70-80 percent is considered healthy.

Trevor says the Paraparaumu engineers were sceptical at first that the surveys were "just another one of these trendy management things". But his team has gone from one of the least engaged to one of MetService's top scorers. There's a much better atmosphere, he says: "The guys are more positive and will go the extra mile to deliver on a deadline."

Action plans and being listened to have made a big difference to how staff feel about their work.

A metservice.com re-launch is attracting 90,000 visitors a day

Every day, 90,000* Kiwis check out the latest weather at metservice.com... and the number's growing. Thanks to our new websites, mobile phone and Twitter updates, we've become part of people's daily planning. Deciding what to wear, how to get to work, and whether to head for the hills or the beach at the weekend has never been easier.

The re-launch began in June 2009. We knew the website had to be snappy, easy to get around and able to use the latest web data and content. So we brought in design company Shift to help our web team. It was a massive job, taking 100 hours just to sort the weather warnings.

Five months later, the new site was ready to go. Now users are one click away from the short and long-term forecasts for towns and cities across New Zealand. There's an in-depth rural section for farmers and keen gardeners. Mountain weather for ski and snowboarding fans. Tide times and marine forecasts for boaties. Traffic cameras to ensure you don't get caught in snarl-ups.

Since May, you don't even have to be near a computer to know if it will rain or shine. Anyone whose mobile can browse the web can go to m.metservice.com for the latest weather updates, formatted to your mobile screen. The mobile site immediately picked up 30-40,000 visitors a month, and traffic continues to increase.

New Zealanders are fascinated by the weather. Our interactive services allow you to talk about it as much as we do. You can share your great weather photos, join us on Twitter, follow our CEO, or read our blog which explains a range of weather topics.

In the month following the launch, unique visitors shot up by 100,000, peaking at almost a million in January 2010. Now we're NZ's number one rural site, number one ski field site, and number two boating site. Overall, we're the country's sixth most-visited website.

Our popularity's having other positive spin-offs. Our advertising revenue now is 40 times what it was four years ago! That advertising helps bring world-class online weather services to Kiwis for free.

We're sharing this success with notable charities. Last year, we gave Autism NZ free advertising space for an online auction. They netted more than $50,000, not to mention fantastic publicity. Other recipients included the Child Cancer Foundation, Haiti Earthquake Appeal, Forest and Bird Protection Society of New Zealand, and Auckland City Mission. All up, we donated over $100,000 in free space in 2009. Our aim is to double that figure from now on.

Metservice.com is full of surprises and changes constantly, just like the weather. You need to be looking your best when 90,000 people come calling every day.

Clever weather presentation has made metservice.com the country's sixth most-visited website.

*Nielsen Online 2010

Who We Are

About MetService

MetService, together with our international commercial subsidiary Metra, is a global leader in providing relevant, timely and accurate weather information services, benefitting billions of people throughout the world.

Since our formation in 1992 we have grown year-on-year into a successful international organisation, employing 220 people in Australasia, Asia and Europe.

What we do

It's easy to take the weather for granted and forget how it can affect many aspects of our lives. Our services:

- predict the weather for tomorrow, next week and beyond
- help keep roads open and planes flying
- provide severe weather warnings and watches
- are supported by leading researchers of weather science
- assist farmers with their crop management
- supply TV companies and viewers at home with stunning weather shows
- assist the fishing industry and marine enthusiasts
- help energy providers to ensure the supply of homes and businesses with heat, light and air conditioning, depending on the seasons
- help all of us plan our weekend activities.

From our base in Wellington, New Zealand, we also provide support to major market sectors such as media, aviation, marine and energy, together with small, medium and large international organisations.

Who we are

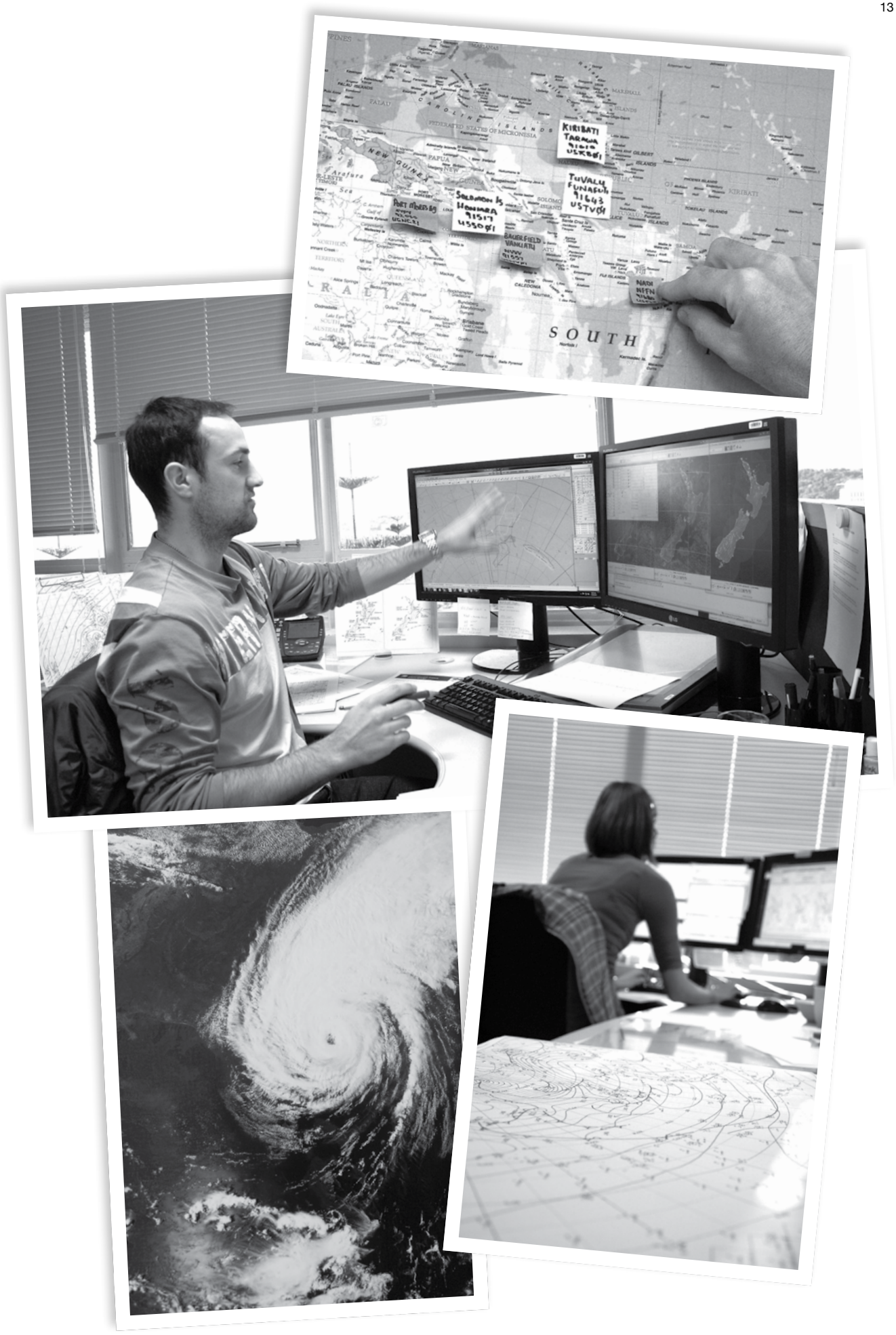
MetService stands for quality, innovation, passion, growth and a strong sense of pride in what we do and who we are.

Our dedicated professionals have a desire to make a difference, providing people and organisations with world class products and services for their particular needs.

We employ talented people from all over the world. New ventures are often steered by our clients' needs but also by our desire to provide new and groundbreaking products.

The weather never sleeps and neither does our business. Our services are essential to lives and livelihoods, both domestically and around the world. We therefore operate around the clock, 365 days a year.

Customers appreciate our services because they combine professional meteorological judgement, technologically advanced processes, quality management, and innovation in addressing their requirements.


KIRIBATI
TARAWA
TUVALU
FUNAFUTI
SOLOMON IS
HONIARA
NADI
SOUTH

Performance Overview

Chairman's and CEO's Report

We are pleased to report a successful year for MetService in 2009/10, especially in the context of depressed local and global economies. MetService Group revenue increased to $37.9 million, up from $36.8 million last year, driven by the following:

Internet advertising

Metservice.com had a particularly successful year as a result of a complete re-launch in November 2009, substantial expansion of its content range, and a move into mobile in May 2010. The site has become one of New Zealand's most popular internet websites and advertising revenue growth, up 36% on 2008/09, reflected this popularity.

Weatherscape software sales

Through its international commercial subsidiary, Metra, the company continued its growth in worldwide sales of graphical presentation systems for media companies. On the back of dominant market share across New Zealand and Australia, Metra successfully renewed and won new contracts in Europe, Asia and the Middle East.

Core meteorological infrastructure

A major programme to upgrade infrastructure in recent years is delivering results for MetService, its clients, and the New Zealand public. Investments in meteorological and IT systems have increased the quality and range of services, enabling MetService to continue to deliver better value for money.

Aviation sales

We headed into the year at a time when airlines had been badly hit by the recession. Although 2009/10 proved very challenging for the industry, our aviation team still managed to grow its revenue through higher-than-expected airline traffic, product innovation and attention to customer service. Our prospects in this sector for the long haul look distinctly brighter.

Operating expenses over the year have increased to $33.2 million, up from $31.6 million. The major drivers were:

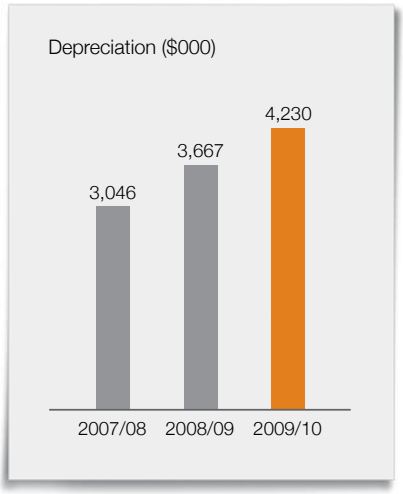
- **Information storage requirements:** MetService's business is built on information. The volume of data involved in modern meteorological analysis and modelling increases every year. Operating on a global stage, MetService needs to store and process vast amounts of data every day in order to perform its business. While technological capability and cost efficiency continue to grow rapidly, the company's growth in data has outstripped them in recent years.
- **Data and communications:** Directly related to data storage is the cost of transmitting data around the world, both to and from MetService. Although the company continues to drive down relative costs, the large volumes involved have meant a considerable increase overall. In some cases, the cost of acquiring raw meteorological data from MetService's international suppliers has also increased.
- **Depreciation:** MetService's infrastructure investment programme began three years ago and is still in progress. The result is a compounding depreciation effect on the company's operating costs: $4.2 million this year, compared with $3.0 million two years ago.

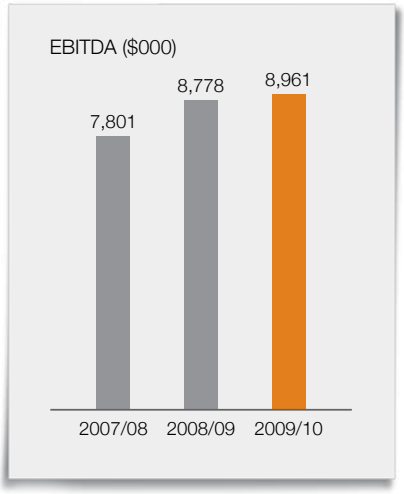
As a result, MetService's EBITDA for the 2009/10 year was largely in line with last year: an increase of $182,376 to $8.9 million.

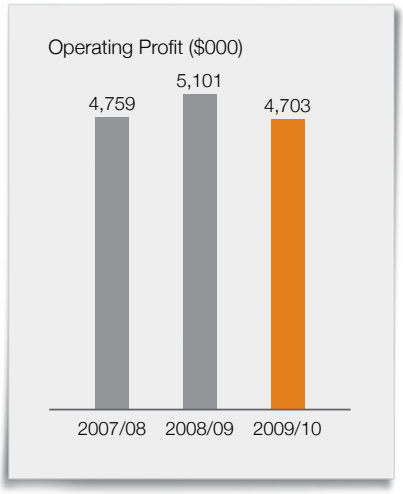
Operating profit was down slightly to $4.7 million (2008/09: $5.1 million) because of increased depreciation and interest costs. These costs were the result of increased investment in meteorological and technology infrastructure.

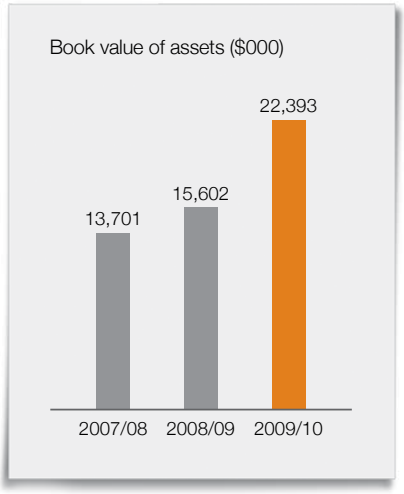
Net surplus was $3.0 million before a one-off taxation expense of $0.6 million as a result of changed legislative treatment of deferred taxation.

MetService's return on equity was 20.3% for the year. Its return on funds employed was 24.2%.









Year in Review

Chairman's and CEO's Report

Severe weather warnings reduce risks

The year began positively for MetService with the launch of the Severe Thunderstorm Warning Service in July 2009. The culmination of more than six years' work, the service provides warnings of localised severe weather events within 150 km of weather radars.

MetService can comprehensively monitor the quantity and distribution of rainfall during severe weather events, providing valuable information for emergency managers, hydrologists and its own severe weather forecasters. High-quality information enables these groups to provide improved forecasts and advice to the general public and other users.

From July 2009 to June 2010, 18 days were covered by Severe Thunderstorm Warnings around the country. Over the same period, more general Severe Weather Warnings were in effect on 165 days.

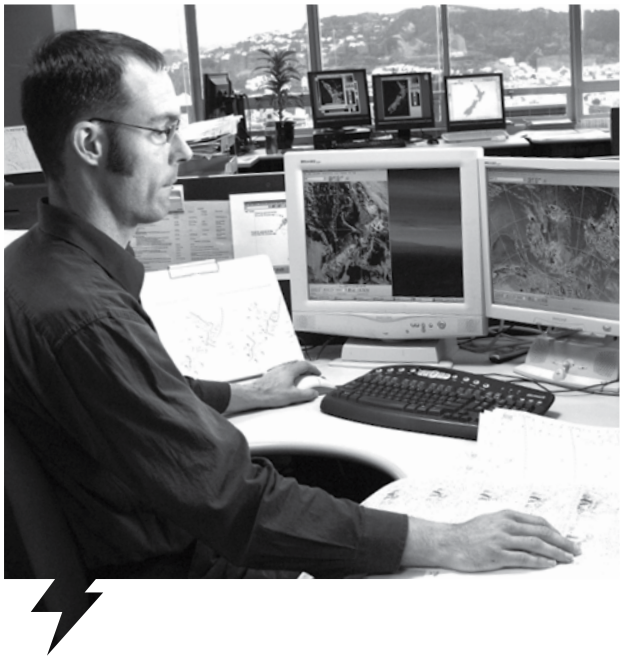
Accurate public warnings of widespread severe weather events continue to track well above MetService's targets. The company's continuous improvement programme delivered further gains this year. For example, we are now able to provide 12 to 24 hours' additional lead time for some events. In many cases, this has enabled communities to significantly reduce their exposure to weather risk.

Helping our Pacific neighbours

Weather significantly affects New Zealand's Pacific Island neighbours. MetService assists the wider region in its role as one of the Regional Specialised Meteorological Centres for the World Meteorological Organization.

From November 2009, New Zealand has played an important role in helping Pacific Island countries enhance their severe weather forecasting and warning capabilities in the South Pacific. These countries now use MetConnect Pacific, a dedicated website developed by MetService, and are further assisted by experienced forecasters in Wellington.

MetConnect Pacific provides data in a usable form to make decisions about severe weather advisories in each area. MetService has also provided in-country training for Pacific Island forecasters to interpret the information provided. The project will enter a full demonstration phase in November 2010 with the inclusion of nine Pacific Island countries.



Combined models give best results

As well as using data from the world's leading global numerical weather prediction models, MetService has continued to develop its local models.

Our approach is to employ a variety of models rather than rely on any one system, a technique considered best practice among major weather forecasting organisations around the world. It has proven particularly valuable in forecasting severe weather, where a range of solutions enables forecasters to provide confidence and likelihood as part of their forecasts. This information is useful
for anyone making important weather-related decisions.

In the last year, MetService's modelling team has implemented a new combined weather model over New Zealand to 8 km resolution, a substantial improvement on the 12 km resolution previously available. A trial model which is frequently updated with information from MetService's observing network is also contributing to the body of expertise required for further increases in resolution in 2010/11 and beyond.

Steering a safe course

MetService Weather Ambassador Bob McDavitt was one of Jessica Watson's secret weapons during her extraordinary six-month sailing voyage around the world. The young Australian wanted to achieve her dream, sailing solo and non-stop before her 17th birthday in May this year.

Bob was in constant contact. Thousands of miles from Jessica and her little boat, he volunteered his time and skills to chart her safe passage and warn of bad weather ahead. "We like to help out people who are adventurous," he says. "I like being their weather eyes."

In his role as ambassador, Bob also fronts displays and shows, deals with media, and talks to groups from scouts to the Alpaca Society. Behind the fun, there's a serious message: we need to respect our weather and prepare for the worst of it.

Weather observations

Mahia Peninsula radar will protect lives

In 2007, MetService began a five-year, $12 million programme of upgrades and additions to its weather radar network. After installing a new radar in New Plymouth in 2008, the programme took a major step forward this year when a new weather radar was commissioned on Mahia Peninsula, Hawke's Bay. The radar enhances MetService's observing network, providing imaging over a large area of the North Island's East Coast beyond the range of our other weather radars.

Capable of monitoring storms 300 km out in the Pacific, as well as weather over land in the central North Island and south to the Tararua District, the Mahia radar significantly increases our ability to observe weather and provide warnings of severe weather events.

The Mahia radar has enabled MetService to extend its Severe Thunderstorm Warning Service to parts of Gisborne and Hawke's Bay. Given the significance of weather to recreational activities, fishing, agriculture, horticulture and tourism, this technology will protect lives and property across the region.

Radar upgrades for a world-class network

The Mahia radar is the second of five new radars earmarked in MetService's radar expansion programme, which will result in nine weather radars around New Zealand by the end of 2012.

In 2010, work began on the third new radar under the programme in the Bay of Plenty. Substantial progress has been made, with a launch date planned for September 2010. Work has also begun on two further radars for the South Island's West Coast and Northland.

When the final installation is completed in 2012, New Zealand will enjoy a world-class weather radar network with very good coverage of the country and surrounding marine areas. Our long coastline and mountainous terrain pose major challenges for weather observations. While the upgrade programme is a significant investment, MetService is in no doubt of its value.

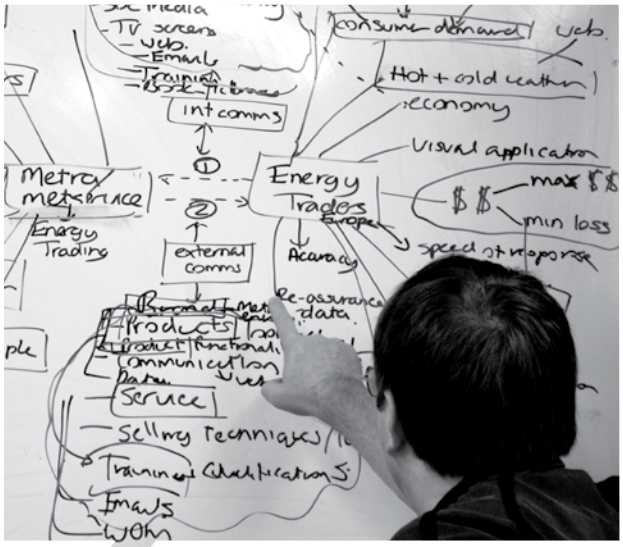
Automated weather stations take technology to new heights

While weather radars are an important component of an effective weather observation network and forecasting system, they are just one of many technologies employed by meteorologists.

In 2010 MetService completed its upgrade of the network of surface observations used to support aviation forecasting. At airports around the country, we have replaced limited manual observations with fully automated weather stations which continuously monitor weather elements important to aviation.

Data now flows to MetService at one-minute intervals from most aerodromes for which we provide Terminal Aerodrome Forecasts (TAFs). This provides valuable information for forecasters, helping MetService to continually improve the quality of our TAFs.

MetService also installed nine new automated weather stations in other locations around New Zealand in 2009/10, bringing the total number in its network to 89.



FAST Trader eyes European energy market

Innovation and responsiveness are hallmarks of MetService's success. One way we achieve this is by encouraging and fostering new ideas from staff.

Thanks to this approach, MetService developed a successful new product this year to add to the suite of energy services under its international commercial subsidiary, Metra. Seeing an opportunity for energy traders interested in very fast and frequent weather information – as well as a chance to showcase Metra's own weather forecast performance – two UK-based Metra team members presented a proposal to combine external and in-house technologies for a new service to trading desks.

MetService fast-tracked the idea in order to have it up and running in time for the European winter. Sign-off, funding and internal support were immediately provided so the team could take their idea to market. In a matter of weeks, FAST Trader ('Forecast Accuracy: Swift Transmission') was launched to UK gas traders. It has been an immediate success, with a constant flow of new clients signing up.

The same group are now looking at expansion of FAST Trader into other sectors and geographical regions.

All power to the wind

MetService wind forecasting research looks set to boost our sustainable energy stocks.

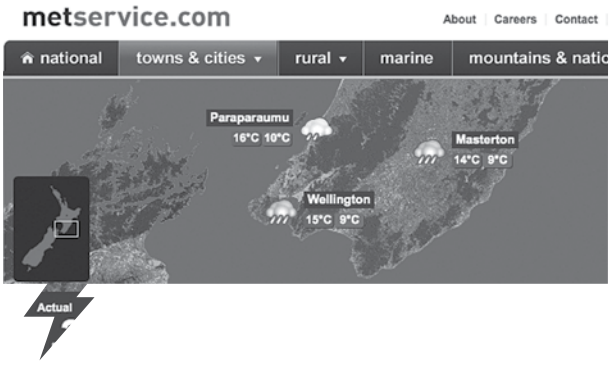
New Zealand's shape and position on the planet means there's plenty of wind to go round, but wind energy is unpredictable and hard to align with constant sources like hydro and thermal.

In the past year, MetService and Meridian Energy have worked on a new technique to forecast wind speeds. The most critical period is six hours ahead. If we know how the wind will blow, we can manage back-up energy and integrate wind power into the national grid. That's good for a clean, green future.

Real-time weather picture

A new weather radar on the Mahia Peninsula can monitor storms 300km out in the Pacific while it scans inland weather across the rugged central North Island and down to the Tararua district. It's part of a world-class network of nine radars planned by the end of 2012. They'll provide full 3D scans of New Zealand and its surrounding ocean every seven-and-a-half minutes.

Complementing the radars are 89 automatic weather stations that feed in data at 60-second intervals. Eight were installed across the country and its offshore islands in 2009/10. We want to see the weather everywhere, every minute.



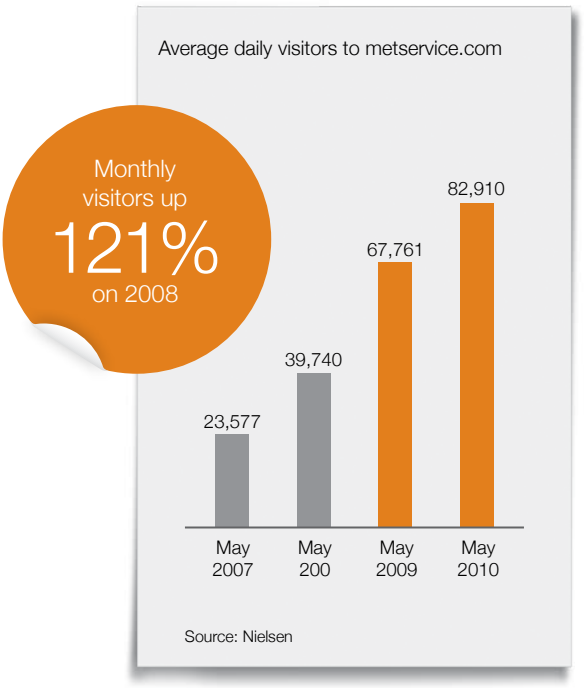
Weaving a worldwide weather web

MetService's website has developed in recent years to become our primary channel of communication to the New Zealand public. 2009/10 was particularly significant with a complete site re-launch in November 2009, followed by expansion into a dedicated mobile site in May 2010, along with additional content and sections throughout the year.

User traffic to metservice.com reflects the success of the website strategy. In the month after its re-launch, the site attracted almost a million visitors. It is still averaging more than 840,000 visitors a month and growing consistently.

Metservice.com's mobile-optimised site (m.metservice.com) also proved an instant success. Showing the value of on-demand weather information for people on the go, the mobile site immediately picked up 30-40,000 visitors in its first month, and traffic continues to grow rapidly.

MetService leverages its high volume of visitor traffic with advertisers to provide weather information to the public at no charge. From small beginnings just a few years ago, advertising revenue generated by metservice.com has made it the fastest growing business unit in the group.

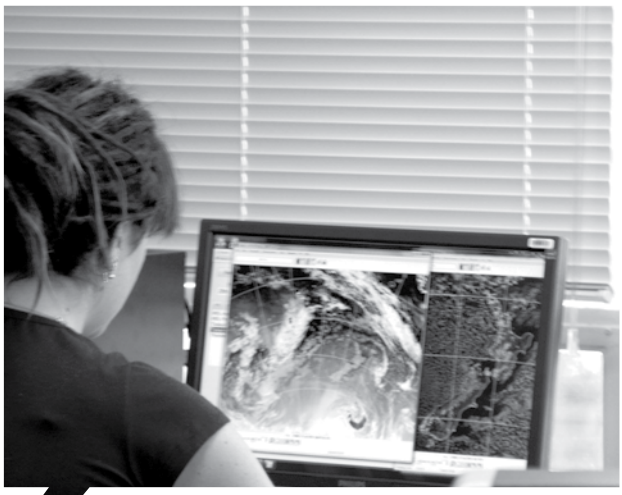


Marketing media weather graphics around the globe

MetService's international commercial subsidiary, Metra, has branch offices in Sydney and Reading, just outside London. As well as making direct sales in many markets, Metra sells Weatherscape, its television and internet media graphics software, through agents in Southeast and North Asia (from Hong Kong), South Asia and the Middle East (from Pakistan and Dubai), and Eastern Europe (from Prague).

While many major media companies struggled with a downturn in advertising revenue this year, Weatherscape sales showed solid growth, with an 8% increase. Despite the sales challenges presented by the economic climate, a product like Weatherscape, with its high-quality graphical appeal and clear meteorological integrity, offers clients demonstrable value for money. As a result, client companies are able to clearly distinguish themselves for their audiences and advertisers.

This year MetService restructured its Weatherscape product delivery team to meet the demands of its ever-expanding customer group and to better support its growing sales channels. Previously distributed across several divisions, the group has been consolidated, expanded with new staff, and set up to deliver a truly international, 'follow the sun', 24/7 support service.



Investing for the future

As well as investing heavily in meteorological infrastructure, MetService is in the midst of several other long-term programmes.

A major challenge is the number of legacy IT systems still used in our production environment. While they are stable and deliver results, they are increasingly difficult to maintain and develop, and restrict our options for disaster recovery. For these reasons, MetService has invested in an extensive programme of system replacement, targeted for completion in 2012. Investment in internet and mobile technologies – back-end infrastructure, communications, and software development – is a continuous process for the company.

As the world increasingly turns to online information, MetService will continue to lead the way in weather information delivery on websites and mobile platforms. This means we have to invest in existing technologies as their usage grows, and in new technologies as they are adopted.

Bright future for Weatherscape

Despite shrinking budgets, international media companies are picking up our flagship weather presentation system. Global sales of Weatherscape XT rose 8 percent in 2009/10.

Hundreds of millions of people worldwide get their daily weather information from TV and internet shows built on Weatherscape. Art meets science in our team of weather experts, technicians, designers and marketers who deliver the high-tech computer graphics, real-time data flows, and 24/7 global support.

In 2009/10, MetService renewed and won new Weatherscape contracts in Europe, Asia, the Middle East, Australia and New Zealand. The outlook for our weather presentation technology is bright.

MetService flies high

Air safety across the Asia-Pacific region is improving as the aviation industry turns to innovative MetService products and services. Air New Zealand and Qantas are successfully using WeatherTrak II, our new web-based service which integrates with the latest flight planning systems.

In 2010, we also increased the number of automated weather stations at airports, bringing the total to 22. They not only cut costs but provide vital weather data every 60 seconds.

Raising our aviation revenue during tough times bodes well for the expected airline recovery ahead.

Our people advantage

Investments in meteorology, infrastructure, and subsidiaries mean nothing without the people in MetService who make it all work. It is a common business cliché to say that people are the most important asset, but it is much more of a challenge to follow through in practice.

Three years ago, MetService decided to take that challenge head-on, centred around an extensive employee satisfaction and commitment programme. This consisted of measuring staff satisfaction levels across the company and identifying key action points for teams and individuals to address concerns and build on strengths.

While it is a long-term strategy with long-term goals, satisfaction levels have already improved significantly. From a first measure in 2007 that was in the bottom quartile for companies worldwide, MetService is now very close to international best practice.

This shift has only been possible because our employees have taken the initiative to heart and made their work environment one of the best places to work in New Zealand and around the world.

Forecast for the future

MetService is in a stronger position than ever before. While many challenges lie ahead, we have taken a long-term strategic view of the business and invested accordingly.

Our underlying infrastructure is being strengthened and expanded to ensure first-class and secure delivery of weather services to the public and our commercial clients.

Our necessarily heavy investment in IT over the last few years is drawing to a close. We are moving forward and capitalising on that investment by generating new and innovative products for the weather services markets in which we compete globally.

High levels of staff engagement position us to face our future challenges with a healthy internal culture. With the support of our great team, MetService's outlook is bright and the 2010/11 year looks promising indeed.

Sarah Astor, Chairman

Paul Reid, Chief Executive















With the support of our great team, MetService's outlook is bright and the 2010/11 year looks promising indeed.








Directors' Report and Financial Statements

Directors' Report

Corporate Governance Statement

Directors from left: *(standing)* James Koh, Joanne Keestra, Sarah Astor (Chairman), Gregory Whitau; *(seated)* Polly Schaverien (Deputy Chair) and David Houldsworth.

The Directors are pleased to present the Company's corporate governance statement which provides an overview of the Company's main governance practices.

BUSINESS ACTIVITIES

The principal activity of the Company is the provision of weather services in New Zealand and internationally, including data acquisition, forecasts and warnings, dissemination and consultation.

Related activities include the acquisition, processing, interpretation, presentation and dissemination of near real-time non-weather information.

SHAREHOLDERS

As a State-Owned Enterprise (SOE), MetService is wholly-owned by the Crown. Two Shareholding Ministers act on behalf of the Crown – the Minister of Finance and the Minister for State-Owned Enterprises.

ROLE OF THE BOARD OF DIRECTORS

Under the Companies Act, the Board is responsible for managing, by or under its direction or supervision, the business and affairs of the Company. This includes responsibility for the Company's strategic direction and oversight of its management, with the ultimate aim of increasing shareholder value. The primary responsibility of the Directors is to exercise their business judgement to act, in good faith, in what they believe to be the best interests of the Company and its shareholders. In meeting its responsibilities, the Board:

- provides leadership and vision to the Company in a way that will enhance shareholder value;
- ensures that appropriate systems and processes are in place so that the business of the Company is conducted in an honest, ethical, responsible and safe manner;
- appoints, manages, and monitors the performance of the Chief Executive Officer;
- oversees the overall conduct of the business and ensures that it is being properly managed;
- ensures that effective audit, risk management and compliance systems are in place to protect the Company's assets and to minimise the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters;
- actively engages in directing and approving the strategic planning of the Company and monitoring the implementation of the strategies by Company management;
- reviews and approves the Company's budgets, business plans and Statement of Corporate Intent, and ensures they meet shareholder requirements;
- sets delegated financial authority levels for the Chief Executive Officer;
- reviews and approves all material acquisitions and divestments, and all capital expenditure exceeding the Chief Executive Officer's delegated financial authority;

- monitors the financial and non-financial performance of the Company against its goals and targets, and ensures the integrity of reporting;
- fosters constructive relationships with the Company's shareholders, and gives due consideration in all of its activities to the Company's stakeholders; and
- conducts itself in such a way that Board meetings and discussion promote focused, open debate within a supportive team atmosphere.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to the 'no surprises' policy adopted by Shareholding Ministers, and proactively advises its shareholders on significant issues on an on-going basis.

Under the State Owned Enterprises Act 1986 the Company is required to provide Shareholding Ministers with:

- an annual Business Plan and Statement of Corporate Intent outlining the Company's strategic direction and financial projections for the coming three years;
- an annual report including audited financial statements;
- a half-yearly report including unaudited financial statements; and
- quarterly reports outlining financial performance, major achievements and issues of concern.

COMPOSITION OF THE BOARD

In accordance with the Constitution of the Company, the Board must comprise not less than two, and not more than nine, Directors, who are appointed by the Shareholding Ministers.

BOARD MEETINGS

The Board meets approximately 11 times per year. Additional meetings are held as required. The annual programme is set by the Board prior to the start of each calendar year. To enable the Board to function effectively, management provides formal Board papers generally a week in advance of meetings. Executive managers are regularly involved in Board discussions and Directors have other opportunities to gain information and advice in relation to the Company and its operations.

BOARD COMMITTEES

The Board currently maintains three standing committees: the Audit Committee, the Risk and Compliance Committee and the Human Resources Committee. Other Committees are formed for specific purposes and disbanded as required.

The purposes of the standing committees are as follows:

Audit Committee

The objective of the Audit Committee is to assist the Board in discharging its responsibilities relative to financial reporting and regulatory conformance. Its main responsibilities are the oversight of the financial audit process, including the appointment of independent auditors, assessment of the performance of the Company's financial management, and ensuring compliance with statutory requirements related to finance.

Risk and Compliance Committee

The objectives of the Risk and Compliance Committee are to ensure that the Company maintains a sustainable Risk Management Programme, incorporating robust processes for identifying and assessing material risks to the Company and establishing risk mitigation strategies.

Human Resources Committee

The objective of the Human Resources Committee is to ensure the Company achieves and fulfils the role of a good employer as required by section 4 of the State Owned Enterprises Act 1986, through the establishment of effective policies and procedures to achieve a skilled, motivated and engaged workforce that will contribute to the successful operation of the Company.

CONFLICTS OF INTEREST

The Board expects its members, both individually and collectively, to act ethically and in a manner consistent with the values of the business and the requirements of the Companies Act.

The Company Constitution specifies rules regarding the activities of a Director in relation to any transaction in which they have an interest outside of their Board responsibilities. In particular, interested Directors are prohibited from voting on the relevant transaction. Where conflicts of interest do arise, Directors are required to advise the Chair and excuse themselves from the relevant discussions.

The Board maintains a register of interests that is reviewed and updated at each regular Board meeting to ensure that Directors are aware of the existence and nature of all disclosures of interest.

BOARD PERFORMANCE REVIEW AND DEVELOPMENT

The Board regularly reviews its own performance. Individual Directors' views and the collated views of members of the executive management team are sought on Board process, efficiency and effectiveness, and discussed by the Board as a whole.

Director's Report

Corporate Governance Statement (continued)

RESULTS OF OPERATIONS

	2010 $000s	2009 $000s
Net Surplus attributable to Shareholders	2,443	3,248
Interim Dividends Paid	–	500
Special Dividends Paid	–	–
Final Dividend Paid	1,100	–
Retained Earnings at Beginning of the Year	**6,357**	**3,609**
Retained Earnings at End of Year	**7,700**	**6,357**

CHANGES OF CAPITAL

There were no changes in capital during the year under review.

AUDITOR

In accordance with Section 19 of the State Owned Enterprises Act 1986, the Office of the Auditor-General is the Auditor for the Company. Karen Shires, with the support of PricewaterhouseCoopers, audits the Meteorological Service of New Zealand Limited on behalf of the Auditor-General.

During the year, amounts received or due and receivable by PricewaterhouseCoopers were:

- Meteorological Service of New Limited – Audit $35,000 (2009: $40,000) and Other Services $nil (2009: $nil)
- Metra Information Limited - Audit $50,000 (2009: $35,000) Other Services $nil (2009: $nil).

REMUNERATION OF EMPLOYEES

The number of employees (not including Directors) whose remuneration and benefits during the accounting period were within the specified band is as follows:

$000	Number
100-109	11
110-119	9
140-149	4
150-159	2
160-169	1
180-189	2
190-199	2
220-229	1
400-410	1

DIRECTORS

In accordance with the Constitution of the Company, Directors are appointed by the shareholders.

DIRECTORS' REMUNERATION

Directors' remuneration and benefits received, or due and receivable during the accounting period, are as follows (no remuneration was paid to Directors in their capacity as directors of Metra Information Limited).

S Astor (Chairman)	46,000
D Houldsworth	23,000
J Keestra	23,000
J Koh	23,000
P Schaverien (Deputy Chair)	28,750
G Whitau	23,000
Total Directors' Remuneration	**166,750**

DIRECTORS' INTERESTS REGISTER

Sarah Astor

Director
Novo Strategic Brand Management

Director
Christchurch City Holdings Ltd

Director
Sasco Holdings Ltd

Director
Selwyn Plantation Board Ltd

Director
Cashel Properties Ltd

Director
Devon Chambers Ltd

Director
Oxford Estates Limited

Trustee
Church Property Trustees

Trustee
Warren Architectural Trust

Trustee
Ohinetahi Charitable Trust

David Houldsworth

Director
NZ Wool Services Intl Ltd

Shareholder/Director
Midas New Zealand Ltd

Shareholder/Director
Won Door New Zealand Ltd

Shareholder/Director
Bentwood Investments Ltd

Director
Asset Finance Ltd

Director
Tea Lounge Ltd

Joanne Keestra

Shareholder/Director
Keestra Consulting Ltd

Shareholder/Director
Aviation Consulting Partners Ltd

Director
Longveld Engineering Ltd

James Koh

Director
Eyredale Farming Company Ltd

Director
Koh Holdings ltd

Polly Schaverien

Nil

Gregory Whitau

Shareholder/Director
Team Logistics Ltd

Trustee
Enterprise Waitaha

DIRECTORS' LOANS

There were no loans by the Company to Directors.

DIRECTORS' INSURANCE

The Company has arranged policies for Director's Liability Insurance, which ensures that generally Directors will incur no monetary loss as a result of actions undertaken by them as Directors. Certain actions are specifically excluded, for example the incurring of penalties and fines which may be imposed in respect of breaches of the law.

DONATIONS

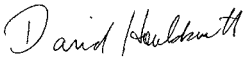
The Company made donations of $2,000 to the Campbell Island Bicentennial Expedition 2011.

CHANGES IN ACCOUNTING POLICIES

There have been no material changes in accounting policies in the latest financial year.

For, and on behalf of the Board, which authorised the issue of the financial report on 25 August 2010.

S Astor
Chairman



D Houldsworth
Audit Chairman

Financial Statements

Statements of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2010	Note	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Operating Revenue		37,955	36,842	19,857	18,781
TOTAL OPERATING REVENUE		**37,955**	**36,842**	**19,857**	**18,781**
Operating Expenses					
Employee Benefits Expense	3	18,378	18,014	14,640	14,060
Communication Costs		952	819	732	699
Data Acquisition Costs		2,977	3,042	2,793	2,307
EDP Costs		939	770	900	734
Marketing Costs		909	950	175	176
Occupancy Costs		498	489	474	470
Operating Lease Expenses	24	946	748	824	609
Office Expenses		313	210	272	159
Professional Expenses		1,224	1,420	464	701
Other Costs		1,869	1,562	1,011	1,269
Depreciation and Amortisation Expense		4,230	3,667	3,388	2,812
TOTAL OPERATING EXPENSES		**33,235**	**31,691**	**25,673**	**23,996**
Change in Value of Option		17	50	–	–
Dividends Received		–	–	5,000	–
OPERATING PROFIT / (LOSS)		**4,703**	**5,101**	**(816)**	**(5,215)**
Financial Costs	4	458	369	458	326
Share of Profits of Jointly Controlled Entity	14	(28)	(10)	–	–
PROFIT / (LOSS) BEFORE TAXATION		**4,273**	**4,742**	**(1,274)**	**(5,541)**
Taxation (Expense) / Credit	5	(1,224)	(1,494)	1,716	1,847
Taxation Expense Due to Change in Legislation	5	(606)	–	(603)	–
NET PROFIT / (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS		**2,443**	**3,248**	**(161)**	**(3,694)**
OTHER COMPREHENSIVE INCOME		**–**	**–**	**–**	**–**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**2,443**	**3,248**	**(161)**	**(3,694)**

The accompanying Notes to the Financial Statements form part of these Financial Statements.

Balance Sheets

AS AT 30 JUNE 2010	Note	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Equity					
Issued Capital	6	5,000	5,000	5,000	5,000
Retained Earnings / (Accumulated Losses)	21	7,700	6,357	(4,096)	(2,835)
TOTAL EQUITY		**12,700**	**11,357**	**904**	**2,165**
Liabilities					
Bank Advance	12	815	–	815	–
Trade and Other Payables	7	4,533	3,929	2,800	2,229
Amounts Owing to Related Parties	12	–	–	7,944	8,407
Employee Benefits	9	1,535	1,564	1,481	1,518
Income Taxation Payable		24	309	–	–
Provisions	10	417	441	417	441
TOTAL CURRENT LIABILITIES		**7,324**	**6,243**	**13,457**	**12,595**
Provisions	10	193	190	193	190
Borrowings	11	9,000	6,000	9,000	6,000
TOTAL NON CURRENT LIABILITIES		**9,193**	**6,190**	**9,193**	**6,190**
TOTAL LIABILITIES AND EQUITY		**29,217**	**23,790**	**23,554**	**20,950**
Assets					
Cash and Bank Balances	25	616	818	76	67
Trade and Other Receivables	8	5,204	5,329	2,279	2,338
Bank Deposits	12	–	250	–	250
Derivative Instruments	20	38	43	–	43
Inventories	13	544	536	544	536
Income Taxation Receivable		–	–	734	3,183
TOTAL CURRENT ASSETS		**6,402**	**6,976**	**3,633**	**6,417**
Deferred Taxation	5	(311)	409	(295)	439
Property, Plant and Equipment	19	19,318	13,201	18,247	12,648
Investments in Jointly Controlled Entities	14	733	747	–	–
Derivative Instruments	20	–	56	–	–
Other Intangible Assets	18	3,075	2,401	1,969	1,446
TOTAL NON CURRENT ASSETS		**22,815**	**16,814**	**19,921**	**14,533**
TOTAL ASSETS		**29,217**	**23,790**	**23,554**	**20,950**

The Board of Directors of Meteorological Service of New Zealand Limited authorised these financial statements for issue on 25 August 2010.

S Astor, Chairman

D Houldsworth, Audit Chairman

The accompanying Notes to the Financial Statements form part of these Financial Statements.

Financial Statements

Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2010	Note	FULLY PAID ORDINARY SHARES $000s	RETAINED EARNINGS/ (ACCUMULATED LOSSES) $000s	TOTAL $000s
GROUP 2010				
EQUITY AS AT 1 JULY 2009	6, 21	**5,000**	**6,357**	**11,357**
Comprehensive Income				
Net Profit		–	2,443	2,443
Other Comprehensive Income		–	–	–
TOTAL COMPREHENSIVE INCOME		**–**	**2,443**	**2,443**
Transactions with Owners				
Dividends Relating to 2009	22	–	(1,100)	(1,100)
TOTAL TRANSACTIONS WITH OWNERS		**–**	**(1,100)**	**(1,100)**
EQUITY AS AT 30 JUNE 2010		**5,000**	**7,700**	**12,700**
GROUP 2009				
EQUITY AS AT 1 JULY 2008	6, 21	**5,000**	**3,609**	**8,609**
Comprehensive Income				
Net Profit		–	3,248	3,248
Other Comprehensive Income		–	–	–
TOTAL COMPREHENSIVE INCOME		**–**	**3,248**	**3,248**
Transactions with Owners				
Dividends Relating to 2009	22	–	(500)	(500)
TOTAL TRANSACTIONS WITH OWNERS		**–**	**(500)**	**(500)**
EQUITY AS AT 30 JUNE 2009		**5,000**	**6,357**	**11,357**

The accompanying Notes to the Financial Statements form part of these Financial Statements.

Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2010	Note	FULLY PAID ORDINARY SHARES $000s	RETAINED EARNINGS/ (ACCUMULATED LOSSES) $000s	TOTAL $000s
PARENT 2010				
EQUITY AS AT 1 JULY 2009	6, 21	**5,000**	**(2,835)**	**2,165**
Comprehensive Income				
Net Loss		–	(161)	(161)
Other Comprehensive Income		–	–	–
TOTAL COMPREHENSIVE INCOME		**–**	**(161)**	**(161)**
Transactions with Owners				
Dividends Relating to 2009	22	–	(1,100)	(1,100)
TOTAL TRANSACTIONS WITH OWNERS		**–**	**(1,100)**	**(1,100)**
EQUITY AS AT 30 JUNE 2010		**5,000**	**(4,096)**	**904**
PARENT 2009				
EQUITY AS AT 1 JULY 2008	6, 21	**5,000**	**1,359**	**6,359**
Comprehensive Income				
Net Loss		–	(3,694)	(3,694)
Other Comprehensive Income		–	–	–
TOTAL COMPREHENSIVE INCOME		**–**	**(3,694)**	**(3,694)**
Transactions with Owners				
Dividends Relating to 2009	22	–	(500)	(500)
TOTAL TRANSACTIONS WITH OWNERS		**–**	**(500)**	**(500)**
EQUITY AS AT 30 JUNE 2009		**5,000**	**(2,835)**	**2,165**

The accompanying Notes to the Financial Statements form part of these Financial Statements.

Financial Statements

Statements of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2010	Note	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Cash Flow from Operating Activities					
Cash was Provided from:					
Receipts from Customers		37,623	35,349	26,892	26,992
Interest Received		39	78	38	77
Cash was Applied to:					
Payments to Suppliers and Employees		(30,437)	(30,154)	(23,526)	(23,817)
Interest Paid		(592)	(417)	(511)	(371)
Income Taxation Paid		(1,521)	(381)	1,170	(279)
NET CASH GENERATED BY OPERATING ACTIVITIES	23	**5,112**	**4,475**	**4,063**	**2,602**
Cash Flow from Investing Activities					
Cash was Provided from:					
Proceeds from Disposal of Property, Plant and Equipment		–	–	–	–
Dividend Received		43	47	–	–
Intercompany Advances		–	–	–	–
Cash was Applied to:					
Purchase of Property, Plant and Equipment		(8,322)	(3,281)	(7,019)	(2,737)
NET CASH USED BY INVESTING ACTIVITIES		**(8,279)**	**(3,234)**	**(7,019)**	**(2,737)**
Cash Flow from Financing Activities					
Cash was Applied to:					
Dividends		(1,100)	(500)	(1,100)	(500)
Increased Borrowings		3,000	1,200	3,000	2,000
NET CASH USED IN INVESTING ACTIVITIES		**1,900**	**700**	**1,900**	**1,500**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(1,267)**	**1,941**	**(1,056)**	**1,365**
Add Cash and Cash Equivalents at the Beginning of the Year		1,068	(873)	317	(1,048)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	**(199)**	**1,068**	**(739)**	**317**

The accompanying Notes to the Financial Statements form part of these Financial Statements.

Notes to the Financial Statements FOR THE YEAR ENDED 30 JUNE 2010

1 STATEMENT OF ACCOUNTING POLICIES

The financial statements presented here are for the reporting entity of Meteorological Service of New Zealand Limited ('Parent') and consolidated financial statements comprising Meteorological Service of New Zealand Limited and its subsidiaries ('Group').

These financial statements were authorised for issue by the Board of Directors on 25 August 2010.

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and amended IFRS as of 1 July 2009:

IFRS 7 'Financial instruments – Disclosures' (amendment) – effective 1 July 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on the reported result or financial position.

IAS 1 (revised) 'Presentation of financial statements' – effective 1 July 2009. Presentation of financial statements NZ IAS 1 incorporates a number of amendments to disclosure requirements for financial statements, including introducing the Statements of Comprehensive Income. As the change in accounting policy only impacts presentation aspects, there is no impact on reported results or financial position.

STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE GROUP

NZ IFRS 9 'Financial Instruments' – effective for periods on or after 1 January 2013. The expected impact of this standard is currently being assessed in detail by management.

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 International Financial Reporting Standards (IFRS) as appropriate for profit oriented entities. The financial statements are prepared in accordance with the Companies Act 1993, the Financial Reporting Act 1993, and the State Owned Enterprises Act 1986.

Meteorological Service of New Zealand Limited is incorporated and domiciled in New Zealand. The address of its registered office is 30 Salamanca Road, Wellington. Its primary service is to provide weather and presentation services to customers around the globe.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

BASIS OF PREPARATION

The general accounting policies recognised as appropriate for the measurement and reporting of results, cash flows and the financial position under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, are followed in the preparation of the financial statements.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

The consolidated financial statements are prepared from the financial statements of the Parent and its subsidiaries as at 30 June 2010 using the purchase method. Subsidiaries are all entities over which the Group has control. Control is achieved where the Parent has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of any subsidiary acquired or disposed of during the year are included in the Statements of Comprehensive Income from the effective date of acquisition or disposal. All significant transactions between Group companies are eliminated on consolidation. Investments in subsidiaries are recorded at cost in the Parent company's financial statements.

Jointly Controlled Entities

The Group's interest in jointly controlled entities is accounted for using the equity method of accounting. Investments in jointly controlled entities are initially recognised at cost. The Group's investment in jointly controlled entities includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of post-acquisition profits or losses of jointly controlled entities is recognised in the Statements of Comprehensive Income.

All significant transactions between Group companies and the Group's jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities.

REVENUE

Revenue is measured at the fair value for the sale of goods and services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of Goods

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

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

Financial Statements

Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

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

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

Interest Income
Interest income is accounted for using the effective interest rate method.

GOVERNMENT GRANTS

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

Government grants relating to assets are treated as deferred income and recognised in the Statements of Comprehensive Income over the expected useful lives of the assets concerned.

INVENTORIES

Inventories are valued at the lower of cost, on a weighted average cost basis of inventory on hand calculated at the time of the last purchase, and net realisable value. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale.

PROPERTY, PLANT AND EQUIPMENT

The cost of purchased property, plant and equipment is valued at the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for the intended service. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The costs of assets constructed by the Parent and Group include the costs of all materials used in construction and direct labour on the project. Costs are capitalised as soon as the asset is capable of productive use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Parent and Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statements of Comprehensive Income during the financial period in which they are incurred.

Depreciation
Depreciation of property, plant and equipment, other than freehold land, is calculated using the straight-line method to allocate the historical cost over the estimated useful life of the asset, after due allowance has been made for the expected residual value.

The cost of improvements to leasehold property are capitalised, disclosed as leasehold property and amortised over the unexpired period of the lease, or the estimated useful life of the improvements, whichever is shorter.

The annual depreciation rates are shown below for each classification of asset:

Buildings	2.5% – 10.0%
Computer Equipment	20.0% – 33.3%
Furniture & Fittings	20.0% – 33.3%
Leasehold Property	3.1% – 5.0%
Meteorological Equipment	10.0% – 33.0%
Motor Vehicles	15.0% – 20.0%
Office Equipment	20.0% – 33.0%
Plant & Equipment	10.0% – 33.0%

The remaining useful lives of assets are reviewed periodically, and the annual depreciation charge is adjusted where necessary.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are recognised in the Statements of Comprehensive Income.

INTANGIBLE ASSETS

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired jointly controlled entity at the date of acquisition. Goodwill on acquisition of jointly controlled entities is included in 'Investments in Jointly Controlled Entities'.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units ('CGU') or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill recognised in the Statements of Comprehensive Income are not reversed. Gains and losses on the disposal of a CGU or portion of a CGU include the carrying amount of goodwill relating to the CGU or portion of a CGU sold.

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

Intangible Assets Acquired in a Business Combination

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

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

Internally-generated Intangible Assets – Computer Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

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

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

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

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

The annual amortisation rate shown below is considered appropriate for each classification of intangible asset:

Internally Generated Software	33.0%

LEASES

Operating lease payments, where lessors retain substantially all the risk or benefit of ownership of the leased items, are recognised as an expense in the Statements of Comprehensive Income on a straight-line basis over the period of the lease.

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

PROVISIONS

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

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

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

Restoration Provision

Restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. The restoration costs are based on management's best estimate of the amount required to settle the obligation. Movements in the restoration provision are recognised in the Statements of Comprehensive Income.

EMPLOYEE BENEFITS

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and alternative days leave expected to be settled within 12 months of the reporting date are recognised in payables in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when it is probable that the liabilities will be settled.

(ii) Termination Leave

The liability for termination leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

TAXATION

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

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statements of Comprehensive Income

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Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

Current and Deferred Tax for the Period

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

FOREIGN CURRENCIES

Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in New Zealand dollars, which is the Parent's functional and presentation currency.

Transactions and Balances

Transactions denominated in foreign currency are converted to New Zealand dollars using the exchange rate at the date of the transaction.

At balance date, foreign monetary assets and liabilities are recorded at the closing exchange rate.

Gains or losses due to currency fluctuations, both realised and unrealised, are recognised in the Statements of Comprehensive Income.

FINANCIAL INSTRUMENTS

Financial instruments carried on the Balance Sheet include cash and cash equivalents, trade and other receivables, amounts owing to or from subsidiaries, other financial assets, trade and other payables, Directors fees payable, employee entitlements, provision for dividend, derivative instruments and borrowings.

Financial Assets

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

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated

future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability, or, where appropriate, a shorter period to the net carrying amount of the financial asset or liability.

Financial assets at FVTPL
Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified in this category if acquired principally for selling in the short term. Derivatives are also classified as held for trading.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in the Statements of Comprehensive Income. The net gain or loss recognised incorporates any dividend or interest earned on the financial asset.

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

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

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

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

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

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

Financial Liabilities
Financial liabilities are recognised and derecognised on trade date where the purchase or sale of liability is under a contract whose terms required delivery within the timeframe established by the market concerned.

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

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Derivatives are also classified as held for trading. A financial liability is classified in this category if it has been incurred principally for the purpose of repurchasing in the short term.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in the Statements of Comprehensive Income. The net gain or loss recognised incorporates any interest paid on the financial liability.

The only financial liabilities at FVTPL are derivatives (note 20). All other financial liabilities are at amortised cost.

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

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised by applying the effective interest method.

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

Financial Statements

Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

Derivatives
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the Statements of Comprehensive Income immediately.

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

STATEMENT OF CASH FLOWS

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in money market instruments with original maturities of three months or less, net of outstanding bank overdrafts. The following terms are used in the statement of cash flows:

Operating activities: are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

Investing activities: are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities: are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

GOODS AND SERVICES TAX

All items included in the financial statements are reported exclusive of Goods and Services Tax, except for accounts payables and accounts receivable, which include GST invoiced.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statements of Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statements of Comprehensive Income.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(i) Note 10: Provisions – measurement of restoration provisions
(ii) Note 14: Investment in Jointly Controlled Entities – measurement of the recoverable amount of the investment in jointly controlled entities

2 OPERATING EXPENDITURE	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Profit / (Loss) for the year has been arrived after charging/(crediting):				
Audit Fees	83	75	37	40
Loss on Disposal of Property, Plant and Equipment	133	7	116	7
Directors' Fees	167	185	167	185
Bad Debts Recovered	–	(17)	–	–
Software Development Expenditure	42	105	40	83
Donations	2	5	18	5
FX Losses / (Gains)	258	(72)	33	–
Fair Value Losses / (Gains) on Forward Exchange Contracts	–	17	–	17
Fair Value Losses / (Gains) Losses on Option	17	50	–	–

3 EMPLOYEE BENEFITS EXPENSE	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Wages and Salaries	20,039	19,103	16,172	15,440
Termination Benefits	29	22	29	22
Defined Contribution Expense	227	123	227	123
Labour Capitalised	(2,831)	(2,291)	(2,606)	(2,291)
Contractors / Temporary Staff	413	580	340	325
Other Employee Benefits	501	477	478	441
TOTAL EMPLOYEE BENEFITS	**18,378**	**18,014**	**14,640**	**14,060**

4 FINANCE COSTS – NET	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Interest Revenue				
Bank Deposits	16	11	15	11
IRD – Use of Money Interest	24	67	24	66
TOTAL FINANCE INCOME	**40**	**78**	**39**	**77**
Interest on Bank Overdrafts and Loans	498	447	497	403
TOTAL FINANCE COSTS	**498**	**447**	**497**	**403**
FINANCE COSTS – NET	**458**	**369**	**458**	**326**

Financial Statements

Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

5 TAXATION	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Net Profit / (Loss) Before Taxation and Dividend	4,273	4,742	(6,273)	(5,541)
Prima Facie Taxation Thereon at 30%	1,282	1,423	(1,882)	(1,662)
Non-deductible Legal Fees	8	8	–	7
Non-deductible Entertainment	9	8	7	8
Government Grant	(48)	22	(48)	22
Prior Period Adjustment	2	33	223	(222)
Effect of Change in Building Tax Depreciation on Deferred Tax	606	–	603	–
Effect of Changes in Tax Rates	(23)	–	(21)	–
Other	(6)	–	5	–
TAXATION EXPENSE / (BENEFIT)	**1,830**	**1,494**	**(1,113)**	**(1,847)**
Prior Year Adjustment	2	33	223	(222)
Current Taxation	1,181	1,366	(2,007)	(1,720)
Deferred Taxation	647	95	671	95
TAXATION EXPENSE / (BENEFIT)	**1,830**	**1,494**	**(1,113)**	**(1,847)**

Deferred Tax

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

Temporary Differences

Property, Plant and Equipment	(902)	(137)	(890)	(135)
Intangible Assets	(172)	(145)	(111)	(95)
Other Financial Assets	(11)	–	–	–
Provisions and Other Liabilities	718	669	706	669
Doubtful Debts	56	22	–	–
	(311)	**409**	**(295)**	**439**

Deferred Taxation

Opening Balance	409	409	439	17
On Profit / (Loss) for the Year	(63)	(95)	(88)	(95)
Prior Period Adjustment	(73)	95	(64)	517
Effect of Change in Building Tax Depreciation on Deferred Tax	(606)	–	(603)	–
Effect of Changes in Tax Rates	22	–	21	–
CLOSING BALANCE	**(311)**	**409**	**(295)**	**439**
Deferred Tax to be Recovered < 12 months	604	571	592	536
Deferred Tax to be Recovered > 12 months	(915)	(162)	(887)	(97)
	(311)	**409**	**(295)**	**439**

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The Parent recognised a loss for the year ended 31 March 2010, however the Parent and its subsidiaries form part of a consolidated tax group and the Directors believe that it is probable that the Group will generate future taxable profits against which the temporary differences will be utilised.

In May 2010 the New Zealand Government announced a reduction in corporation tax rate from 30% to 28% effective from the 2010/11 income tax year.

5 TAXATION (CONTINUED)	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Imputation Credit Account				
Imputation Credit Account 1 July	3,582	3,585	1,017	1,017
Income Taxation Paid During the Year (Net of Tax Refunds)	1,261	243	–	–
Imputation Credits Attached to Dividends Paid During the Year	(542)	(246)	–	–
Prior Period Adjustment	(781)	–	(1,017)	–
IMPUTATION CREDIT ACCOUNT 30 JUNE	**3,520**	**3,582**	**–**	**1,017**
Imputation credits available directly and indirectly to shareholders of the parent company, through:				
Parent Company	3,520	1,017		
Subsidiaries	–	2,565		
TOTAL	**3,520**	**3,582**		

6 ISSUED CAPITAL	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Authorised, Issued and Fully Paid Capital Consists of 5,000,000 Ordinary Shares	**5,000**	**5,000**	**5,000**	**5,000**

Issued shares have no par value.
Fully paid ordinary shares carry one vote per share and carry a right to dividends.

7 TRADE AND OTHER PAYABLES	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Trade Payables	664	801	481	501
Other Payables	570	830	559	739
Accruals	2,238	1,401	1,623	694
Income in Advance	830	643	33	41
Directors' fees	17	6	17	6
(i) Income in Advance – Government Grant	214	248	87	248
TOTAL TRADE AND OTHER PAYABLES	**4,533**	**3,929**	**2,800**	**2,229**

The average credit period on purchases is seven to 30 days.
The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Government Grant

TBG (Technology for Business Growth) is a government-funded initiative (through Foundation for Research & Technology) to assist business to develop ideas for business growth. The Parent received a grant in 2006 to work on forecasting tools for energy customers. The project was 50% funded and under NZ IAS 20 Government Grants, this revenue is recognised over the life of the asset.

Financial Statements

Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

8 TRADE AND OTHER RECEIVABLES	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Trade Receivables	4,458	4,383	1,848	1,892
Allowance for Impairment	(201)	(74)	–	–
	4,257	**4,309**	**1,848**	**1,892**
Prepayments	546	476	395	412
Sundry Debtors	401	544	36	34
TOTAL TRADE AND OTHER RECEIVABLES	**5,204**	**5,329**	**2,279**	**2,338**

The average credit period on sales of goods and services is 30 days. No interest is charged on the trade receivables overdue. Overdue debts are reviewed on a case-by-case basis and provided for if the receivable is considered not recoverable. Historical experience is such that international customers pay on a 60-90-day term and default is minimal.

Before accepting a new customer, the Group requires a credit application to be completed and references are contacted.

Included in the Group's trade receivable balance are debtors with a carrying amount of $174,898 (2009: $122,209) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of receivables is 45 days (2009: 40 days).

Included in the Parent's trade receivable balance are debtors with a carrying amount of $nil (2009: $nil) which are past due at the reporting date for which the Parent has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Parent does not hold any collateral over these balances. The average age of receivables is 29 days (2009: 33 days).

Ageing Past Due Trade Receivables (Not Impaired)

60-90 days	174	45	–	–
90-120 days	28	3	–	–
TOTAL	**202**	**48**	**–**	**–**

Ageing Past Due Trade Receivables (Impaired)

60-90 days	–	40	–	–
90-120 days	201	34	–	–
TOTAL	**201**	**74**	**–**	**–**

Movement in the Allowance for Impairment

Balance at Beginning of the Year	(74)	(16)	–	–
Impairment Losses Recognised on Receivables	(127)	(74)	–	–
Impairment Losses Reversed	–	16	–	–
BALANCE AT END OF THE YEAR	**(201)**	**(74)**	**–**	**–**

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

Included in the allowance for doubtful debts are individually impaired trade receivables with a balance of $200,733 (2009: $73,587) for Group and $nil (2009: $nil) for the Parent, relating to entities which have been considered doubtful.

The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected proceeds. The Group does not hold any collateral over these balances. The net carrying amount is considered to approximate their fair value.

9 EMPLOYEE BENEFITS	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Annual Leave Entitlement	1,323	1,309	1,269	1,263
Termination Leave (i)	212	255	212	255
TOTAL EMPLOYEE BENEFITS	**1,535**	**1,564**	**1,481**	**1,518**

(i) Termination Leave

Opening Balance as at 1 July 2009	255	277	255	277
Reductions Arising from Payments/Other Sacrifices of Future Economic Benefits	(43)	(22)	(43)	(22)
CLOSING BALANCE AS AT 30 JUNE 2010	**212**	**255**	**212**	**255**

The liability for employee benefits represents annual leave and termination leave entitlements accrued. The termination leave accrual is an actuarial assessment of the accrued termination leave liabilities for current employees of the Parent. Only those employees with 10 years' service when the scheme closed are eligible for the benefit.

Termination leave has been calculated by the actuarial firm Aon NZ Ltd and has been calculated based on inter alia: Contractual Employee Entitlements, Projected Employee Salary Increases, Expected Resignation and Retirement Rates, Forecasted Market Discount Rates

10 PROVISIONS	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Current				
Restoration Provision	417	441	417	441
TOTAL CURRENT PROVISIONS	**417**	**441**	**417**	**441**
Non Current				
Restoration Provision	193	190	193	190
TOTAL NON CURRENT PROVISIONS	**193**	**190**	**193**	**190**
Restoration Provision				
Opening Balance as at 1 July 2009	631	560	631	560
Additional Provisions Recognised	–	–	–	–
Change for Passage of Time	(21)	71	(21)	71
CLOSING BALANCE AS AT 30 JUNE 2010	**610**	**631**	**610**	**631**
TOTAL PROVISIONS	**610**	**631**	**610**	**631**

Restoration Provision

The Parent has a number of sites leased around the country for the purpose of housing weather stations or related equipment. A restoration provision has been calculated for those sites that contractually require the site to be restored to its original state on expiry of the licence to occupy. The Restoration provision is an estimate of the cost (in today's dollars) of restoring current leased sites to their original state on termination of the lease agreement assuming no renewal of the lease. This provision includes estimation for restoring Campbell Island. The Parent has used the five year government bond rate (4.81%) as the discount rate and assumed a 2% CPI increase on costs.

Contingent Liability

Several lease agreements are held that do not mention the requirement to restore the site on termination of the lease. Because the Company is not contractually obligated to remove the equipment and restore the site, it is not certain that a liability would arise therefore the estimated cost of restoring these sites has been excluded from the provision. 2010: $122,243 (2009: $111,755).

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Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

11 BORROWINGS	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Unsecured				
Current				
Bank Loan	–	–	–	–
Non Current				
Bank Loan	9,000	6,000	9,000	6,000
TOTAL BORROWINGS	**9,000**	**6,000**	**9,000**	**6,000**
Disclosed in the financial statement as:				
Current Borrowings	–	–	–	–
Non-Current Borrowings	9,000	6,000	9,000	6,000
	9,000	**6,000**	**9,000**	**6,000**

The Parent has an on-going term loan agreement with the Westpac Banking Corporation. The interest rates are fixed and due for renewal between 14 July 2010 and 31 March 2014. The Parent intends extending the loans on maturity. The average interest rate for the loans as at 30 June 2010 is 6.35% (2009: 6.19%).

These loans are subject to covenant clauses whereby the Parent is required to maintain a specified level of interest cover and debt/equity ratio. As at 30 June 2010, all banking covenants had been complied with.

12 FINANCING FACILITIES	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Westpac Money Market Facility (i)				
Money Market – On-Call Deposits	–	250	–	250
Money Market – On-Call Advance	(815)	–	(815)	–
	(815)	**250**	**(815)**	**250**
Loans to Subsidiaries (ii)				
Metra Information Limited – Intercompany	–	–	(8,418)	(8,740)
Metra Information (Australia) Pty Limited – Intercompany	–	–	474	333
	–	**–**	**(7,944)**	**(8,407)**

(i) Westpac Money Market Facility

The Parent has a multi-option credit line facility with Westpac to the value of $2,000,000. The term of this facility is to 31 December 2010 and the balance is on call. Interest is charged at the cash rate plus a corporate margin of 30 basis points with a line of credit charge of 0.05% per month on the commitment during that month.

(ii) Loans to/from Subsidiaries

Meteorological Service of New Zealand Limited provides funding to Metra Information (Australia) Pty Limited via an intercompany account. This is used to fund monthly expenses and is reimbursed periodically throughout the year. Meteorological Service of New Zealand receives funding from its New Zealand subsidiary via an intercompany account. This is used to fund monthly expenses and is reimbursed periodically throughout the year.

13 INVENTORIES	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Finished Goods at Cost	544	536	544	536
TOTAL INVENTORIES	**544**	**536**	**544**	**536**

The cost of inventories recognised as an expense during the year was $764,283 (2009: $765,561).

The cost of inventories recognised as an expense includes $34,804 (2009: $nil) in respect of write-downs of inventory to net realisable value, and has been reduced by $nil (2009: $nil) in respect of the reversal of such write-downs.

14 INVESTMENT IN JOINTLY CONTROLLED ENTITIES

Details of the Group's jointly controlled entities are as follows:

Name of Jointly Controlled Entity	Weather Commerce Limited
Principal Activity	Tailor made online weather packages
Place of Incorporation and Operation	England and Wales
Ownership Interest	50% (2009: 50%)

Weather Commerce Limited

Pursuant to a shareholder agreement, the Group has the right to cast 50% of the votes at shareholder meetings of Weather Commerce Limited and all decisions require unanimous shareholder consent. The Group exercises joint control by virtue of its contractual right to equally govern the financial and operating policies of Weather Commerce Limited so as to obtain equal benefits from its activities. The balance date for Weather Commerce Limited is 30 June.

The Parent has provided no funding support to Weather Commerce during the year and all related party transactions are at arm's length.

The Group has the option to purchase the remaining 50% of the company in March 2011. Refer note 20 for valuation of the option.

	GROUP 2010 $000s	GROUP 2009 $000s
Summarised financial information of the Group's jointly controlled entity is set out below:		
Total Assets	221	247
Total Liabilities	38	5
Net Assets	183	242
GROUP'S SHARE OF NET ASSETS	**92**	**121**
Total Revenue	667	824
Total Profit for the Period	56	19
GROUP'S SHARE OF PROFITS OF JOINTLY CONTROLLED ENTITY	**28**	**10**

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Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

14 INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONTINUED)	GROUP 2010 $000s	GROUP 2009 $000s
Movement in the Carrying Amount of the Group's Investment in Jointly Controlled Entity		
Balance at Beginning of Year	747	787
New Investments (Net of Call Option)	–	–
Disposals	–	–
Share of Profits of Jointly Controlled Entity	28	10
Dividends received	(42)	(50)
BALANCE AT END OF YEAR	**733**	**747**
Goodwill included in the Carrying Amount of the Group's Investment in Jointly Controlled Entity		
Cost		
Balance at Beginning of the Year	700	700
Additional Amounts Recognised from Business Combinations	–	–
BALANCE AT END OF THE YEAR	**700**	**700**

Impairment Tests for Goodwill

Goodwill is allocated to the Metra UK cash-generating unit (CGU). The recoverable amount of the Metra UK CGU has been determined based on a value-in-use calculation. The calculation used forecast cash flows to 2014 and a discount rate of 23%. The recoverable amount of the Metra UK CGU exceeds its carrying amount therefore no impairment loss has been recognised.

15 SUBSIDIARIES

Details of the Group's Subsidiaries at 30 June 2010 and 30 June 2009 are as follows:

Meteorological Service of New Zealand Limited is incorporated in New Zealand and is the parent entity of the Group. The Parent's investment in Metra Information Limited comprises shares at cost. Metra Information Limited, a company involved with the provision of weather and information presentation services, is a wholly owned subsidiary incorporated in New Zealand with a 30 June balance date. Metra Information Limited has an investment in Metra Information (Australia) Pty Limited which comprises shares at cost. Metra Information (Australia) Pty Limited, a company involved in the marketing and promotion of weather and information presentation services, is wholly owned subsidiary incorporated in Australia with a 30 June balance date.

Names	Metra Information Limited (MIL)	Metra Information (Australia) Pty Limited (MIAL)
Place of Incorporation and Operation	MIL – New Zealand	MIAL – Australia
Ownership Interests and Voting Rights	MIL – 100% (2009: 100%)	MIAL – 100% (2009: 100%)
Principal Activity	MIL – Weather and Information Presentation Services	MIAL – Marketing & Promotion of Weather and Information Presentation Services

16 BRANCHES

Details of the Group's Branches at 30 June 2010 and 30 June 2009 are as follows:

Metra Information Limited has a branch in the United Kingdom.

Names	Metra Information Limited Branch (MILB)
Place of Incorporation and Operation	MILB – United Kingdom
Principal Activity	MILB – Sales & Marketing of Weather and Information Presentation Services

17 RELATED PARTY TRANSACTIONS

The ultimate controlling party of the Group is the Crown.

Equity Interests in Related Parties

Details of interests in subsidiaries and jointly controlled entities are disclosed in notes 14 and 15.

	GROUP 2010	GROUP 2009	PARENT 2010	PARENT 2009
	$000s	$000s	$000s	$000s
Transfers of Software Development				
Metra Information Limited	844	478	844	478
Metra Information (Australia) Pty Limited	–	21	–	21
	844	**499**	**844**	**499**

The Parent develops computer software products, some of which were acquired by its subsidiary, Metra Information Limited and Metra Information (Australia) Pty Limited. These acquisitions were made on normal commercial terms.

Settlement of Liabilities				
Metra Information Limited	–	–	1,318	(4,549)
Metra Information (Australia) Pty Limited	–	–	(22)	115
Weather Commerce Limited	106	73	–	–
	106	**73**	**(1,296)**	**(4,434)**

During the year the Parent was reimbursed for expenses it incurred on behalf of Metra Information (Australia) Pty Limited.

Due to internal restructuring in the previous two years, Metra Information Limited now provides regular funding assistance to its parent company which is reimbursed on a regular basis.

Outstanding Receivable / (Payable) at Year End				
Metra Information Limited	–	–	(8,418)	(8,740)
Metra Information (Australia) Pty Limited	–	–	474	333
Weather Commerce Limited	–	–	–	–
	–	**–**	**(7,944)**	**(8,407)**

A dividend was paid by Weather Commerce Limited to Metra Information Limited in June 2010.

Cash paid GBP 18,000 ($39,508).

Compensation of Key Management Personnel

Key management personnel are paid in their capacity as employees and receive salary and bonus.

Key management personnel includes Directors and the Executive Team.

Total Salaries	2,012	1,935	1,701	1,547
Total Profit Share	158	123	111	102
Directors Remuneration	167	185	167	185
	2,337	**2,243**	**1,979**	**1,834**

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Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

17 RELATED PARTY TRANSACTIONS (CONTINUED)

Other Related Parties

Relationship with the Crown

Meteorological Service of New Zealand Limited is a limited liability company incorporated in New Zealand, under the Companies Act 1993. The shares are held equally by the Minister for State Owned Enterprises and the Minister of Finance on behalf of the Crown. The Crown does not guarantee the liabilities of Meteorological Service of New Zealand Limited.

Meteorological Service of New Zealand Limited also undertakes transactions with other State Owned Enterprises and Government Departments. All the foregoing were carried out on a commercial and arm's length basis in the normal course of business.

No amounts owed by related parties have been written off or forgiven during the year.

18 OTHER INTANGIBLE ASSETS	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Internally Developed Software				
Cost:				
Balance at the Beginning of the Year	11,805	10,305	6,547	6,732
Additions – External Software Purchases	–	–	–	–
Additions – Internal Software Development	2,588	1,543	1,745	870
Intercompany Transfer	–	–	(77)	(1,055)
Transfers from Computer Hardware & Software Equipment	–	(43)	–	–
Disposals	(2,793)	–	(1,170)	–
BALANCE AT THE END OF THE YEAR	**11,600**	**11,805**	**7,045**	**6,547**
Accumulated amortisation and impairment losses:				
Balance at the Beginning of the Year	(9,404)	(7,680)	(5,101)	(5,131)
Amortisation Expense – External Software	–	–	–	–
Amortisation Expense – Internal Software Development	(1,885)	(1,691)	(1,168)	(1,013)
Disposals	2,764	–	1,157	–
Intercompany Transfer	–	–	36	1,033
Transfers from Computer Hardware & Software Equipment	–	(33)	–	10
BALANCE AT THE END OF THE YEAR	**(8,525)**	**(9,404)**	**(5,076)**	**(5,101)**
CARRYING AMOUNT	**3,075**	**2,401**	**1,969**	**1,446**

The Amortisation Expense has been included in the line item 'Depreciation and Amortisation Expense' in the Statements of Comprehensive Income.

19 PROPERTY, PLANT & EQUIPMENT	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Land				
Cost	118	118	118	118
CARRYING AMOUNT	**118**	**118**	**118**	**118**
Opening Carrying Amount	118	118	118	118
Additions	–	–	–	–
Disposals	–	–	–	–
Impairment Losses	–	–	–	–
CLOSING CARRYING AMOUNT	**118**	**118**	**118**	**118**
Land – Leasehold				
Cost	447	447	447	447
Accumulated Depreciation and Impairment	(397)	(376)	(397)	(376)
CARRYING AMOUNT	**50**	**71**	**50**	**71**
Opening Carrying Amount	71	92	71	92
Additions	–	–	–	–
Disposals	–	–	–	–
Impairment Losses	–	–	–	–
Depreciation	(21)	(21)	(21)	(21)
CLOSING CARRYING AMOUNT	**50**	**71**	**50**	**71**
Buildings				
Cost	1,096	682	1,096	682
Accumulated Depreciation and Impairment	(216)	(176)	(216)	(176)
CARRYING AMOUNT	**880**	**506**	**880**	**506**
Opening Carrying Amount	506	684	506	684
Additions	414	12	414	12
Disposals	–	–	–	–
Reclass Between Asset Category	–	(173)	–	(173)
Impairment Losses	–	–	–	–
Depreciation	(40)	(17)	(40)	(17)
CLOSING CARRYING AMOUNT	**880**	**506**	**880**	**506**

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Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

19 PROPERTY, PLANT & EQUIPMENT (CONTINUED)	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Buildings on Leasehold Land:				
Cost	4,210	3,264	4,155	3,213
Accumulated Depreciation and Impairment	(1,513)	(1,347)	(1,482)	(1,322)
CARRYING AMOUNT	**2,697**	**1,917**	**2,673**	**1,891**
Opening Carrying Amount	1,917	1,174	1,891	1,161
Additions	946	16	946	–
Disposals	–	–	–	–
Impairment Losses	–	–	–	–
Reclass Between Asset Category	–	907	–	907
Intercompany Transfer	–	–	(1)	–
Depreciation	(166)	(180)	(163)	(177)
CLOSING CARRYING VALUE	**2,697**	**1,917**	**2,673**	**1,891**
Computer Hardware & Software Equipment:				
Cost	12,967	11,846	11,839	10,788
Accumulated Depreciation and Impairment	(10,554)	(9,620)	(9,523)	(8,716)
CARRYING VALUE	**2,413**	**2,226**	**2,316**	**2,072**
Opening Carrying Value	2,226	2,451	2,072	2,116
Additions	1,623	1,158	1,571	1,137
Disposals	(101)	(5)	(101)	(5)
Reclass Between Asset Category	–	(66)	1	21
Intercompany Transfer	–	–	(2)	(32)
Transferred to Intangibles	–	–	–	–
Depreciation	(1,335)	(1,312)	(1,225)	(1,165)
CLOSING CARRYING VALUE	**2,413**	**2,226**	**2,316**	**2,072**
Meteorological Equipment:				
Cost	13,999	10,070	13,571	9,911
Accumulated Depreciation and Impairment	(7,536)	(6,895)	(7,488)	(6,871)
CARRYING VALUE	**6,463**	**3,175**	**6,083**	**3,040**
Opening Carrying Value	3,175	1,835	3,040	1,677
Additions	3,938	1,734	3,670	1,734
Disposals	–	–	–	–
Reclass Between Asset Category	–	(91)	(1)	(91)
Intercompany Transfer	–	–	–	6
Depreciation	(650)	(303)	(626)	(286)
CLOSING CARRYING VALUE	**6,463**	**3,175**	**6,083**	**3,040**

19 PROPERTY, PLANT & EQUIPMENT (CONTINUED)	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Motor Vehicles				
Cost	260	260	228	260
Accumulated Depreciation and Impairment	(207)	(179)	(175)	(179)
CARRYING VALUE	**53**	**81**	**53**	**81**
Opening Carrying Value	81	80	81	80
Additions	–	37	–	37
Disposals	–	–	–	–
Impairment Losses	–	–	–	–
Depreciation	(28)	(36)	(28)	(36)
CLOSING CARRYING VALUE	**53**	**81**	**53**	**81**
Office Equipment:				
Cost	438	415	390	383
Accumulated Depreciation and Impairment	(382)	(364)	(345)	(340)
CARRYING VALUE	**56**	**51**	**45**	**43**
Opening Carrying Value	51	100	43	80
Additions	29	9	22	9
Disposals	–	(3)	–	(3)
Reclass Between Asset Category	–	(25)	–	(20)
Intercompany Transfer	–	–	(1)	3
Depreciation	(24)	(30)	(19)	(26)
CLOSING CARRYING VALUE	**56**	**51**	**45**	**43**
Furniture and Fittings:				
Cost	810	690	683	617
Accumulated Depreciation and Impairment	(639)	(623)	(569)	(569)
CARRYING VALUE	**171**	**67**	**114**	**48**
Opening Carrying Value	67	120	48	89
Additions	133	5	88	1
Disposals	–	–	–	–
Reclass Between Asset Category	–	(20)	1	(21)
Intercompany Transfer	–	–	–	10
Depreciation	(29)	(38)	(23)	(31)
CLOSING CARRYING VALUE	**171**	**67**	**114**	**48**

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Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

19 PROPERTY, PLANT & EQUIPMENT (CONTINUED)	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Plant and Equipment:				
Cost	901	717	803	670
Accumulated Depreciation and Impairment	(331)	(279)	(278)	(254)
CARRYING VALUE	**570**	**438**	**525**	**416**
Opening Carrying Amount	438	1,075	416	1,068
Additions	184	39	158	15
Disposals	–	–	–	–
Reclass Between Asset Category	–	(636)	1	(628)
Intercompany Transfer	–	–	(2)	–
Depreciation	(52)	(40)	(48)	(39)
CLOSING CARRYING AMOUNT	**570**	**438**	**525**	**416**
Capital Work in Progress				
Internally Developed Software	2,689	1,347	2,689	1,347
External Purchased Software and Equipment	3,158	3,204	2,701	3,015
TOTAL CARRYING AMOUNT	**19,318**	**13,201**	**18,247**	**12,648**

Capital work in progress relates to on-going projects that were not completed and capitalised at year end. No impairment issues have been identified.

20 DERIVATIVE INSTRUMENTS	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Current				
Financial Assets Carried at FVTPL				
Forward Foreign Exchange Contracts	–	43	–	43
Call Option – Weather Commerce Limited	38	–	–	–
	38	**43**	**–**	**43**
Non Current				
Financial Assets Carried at FVTPL				
Forward Foreign Exchange Contracts	–	–	–	–
Call Option – Weather Commerce Limited	–	56	–	–
	–	**56**	**–**	**–**

21 RETAINED EARNINGS / ACCUMULATED LOSSES	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Balance at the Beginning of the Year	6,357	3,609	(2,835)	1,359
Net Profit / (Loss) for the Year	2,443	3,248	(161)	(3,694)
Payment of Dividends	(1,100)	(500)	(1,100)	(500)
BALANCE AT THE END OF THE YEAR	**7,700**	**6,357**	**(4,096)**	**(2,835)**

22 DIVIDENDS	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Interim Dividends Paid				
Interim Dividends Relating to Current Year	–	500	–	500
	–	**500**	**–**	**500**
Final Dividends Paid				
Final Dividends Relating to Current Year	1,100	–	1,100	–
	1,100	**–**	**1,100**	**–**

As at balance date, there has been no provision made for a final dividend. The Group's dividend policy is 60% of net profit after tax.

23 RECONCILIATION OF NET SURPLUS WITH CASH FLOW FROM OPERATING ACTIVITIES	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
NET SURPLUS / (LOSS) FOR THE YEAR	**2,443**	**3,248**	**(161)**	**(3,694)**
Non Cash / Non Operating Items				
Depreciation and Amortisation	4,230	3,667	3,388	2,812
Loss on Sale of Fixed Assets	133	7	116	7
Change in Value of Option	17	50	–	–
Share of Profits of Associates	(28)	(10)	–	–
Labour Capitalised	(2,831)	(2,291)	(2,606)	(2,291)
Increase / (Decrease) in Deferred Tax	721	–	735	(421)
Intercompany Dividends	–	–	–	–
Restoration Provision	(20)	–	(20)	–
TOTAL NON CASH ITEMS	**2,222**	**1,423**	**1,613**	**107**
Movements in Working Capital				
(Increase) / Decrease in Receivables	167	(481)	58	757
(Increase) / Decrease in Intercompany	–	–	(463)	8,538
(Decrease) / Increase in Accounts Payable and Accruals	575	(951)	575	(1,524)
Decrease / (Increase) in Income Taxation Receivable	(287)	1,113	2,449	(1,705)
(Increase) / Decrease in Inventories	(8)	123	(8)	123
TOTAL MOVEMENT IN WORKING CAPITAL	**447**	**(196)**	**2,611**	**6,189**
NET CASH GENERATED BY OPERATING ACTIVITIES	**5,112**	**4,475**	**4,063**	**2,602**

Financial Statements

Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

24 OPERATING LEASE EXPENSES

The Group as Lessee:

Leasing Arrangements

The Group leases land: operating leases over these properties give the Group the right to renew the lease subject to a redetermination of the lease by the lessor. There are no renewal options or options to purchase in respect of plant and equipment held under operating leases.

	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Non-Cancellable Operating Lease Commitments:				
Not later than one year	223	165	223	165
Later than one year and not later than five years	487	328	487	328
Later than five years	878	297	878	297
	1,588	**790**	**1,588**	**790**
CURRENT YEAR EXPENSE	**946**	**748**	**824**	**609**

25 CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, bank deposits on call, net of outstanding bank overdrafts and advances. Cash and cash equivalents at the end of the year as shown in the Statement of Cash Flows can be reconciled to the related items in the balance sheet as follows:

	GROUP 2010 $000s	GROUP 2009 $000s	PARENT 2010 $000s	PARENT 2009 $000s
Cash and Bank Balances	616	818	76	67
Bank Overdraft and Advances	(815)	–	(815)	–
Bank Deposits	–	250	–	250
	(199)	**1,068**	**(739)**	**317**

The Parent has an overdraft facility with Westpac to the value of $50,000.

The Parent provides support for meteorological services in the Pacific Islands and Africa. In this role, the Parent acts as an intermediary between the 'Funder' and the 'Recipient or Client'. The role encompasses the provision of project management expertise, sourcing equipment, calibration and testing & site installation.

Funding is received from international sources to fund these projects. The cash held at balance date is recorded as a liability.

FUNDS HELD AT BALANCE DATE	**303**	**541**	**303**	**541**

26 FINANCIAL INSTRUMENTS

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2009.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 11, cash and cash equivalents and equity attributable to equity holders of the Parent, comprising issued capital and retained earnings as disclosed in notes 6 and 21 respectively.

Debt covenants are reviewed by management and reported to the Board on a monthly basis.

	GROUP 2010	GROUP 2009	PARENT 2010	PARENT 2009
	$000s	$000s	$000s	$000s
Categories of financial instruments:				
Assets				
Loans and receivables				
Cash and Bank Balances	616	818	76	67
Trade and Other Receivables	4,658	4,853	1,884	1,926
Amounts Owing from Subsidiary	–	–	–	–
Bank Deposits	–	250	–	250
Financial assets at fair value through profit or loss				
Forward Foreign Exchange Contracts	38	43	–	43
Call Option - Weather Commerce Limited	–	56	–	–
TOTAL FINANCIAL ASSETS	**5,313**	**6,020**	**1,960**	**2,286**
Liabilities				
Financial liabilities at amortised cost				
Trade and Other Payables	4,478	3,923	2,729	2,223
Directors' Fees Payable	17	6	17	6
Amounts Owing to Subsidiary	–	–	7,944	8,407
On-Call Advance	815	–	815	–
Borrowings	9,000	6,000	9,000	6,000
TOTAL FINANCIAL LIABILITIES	**14,310**	**9,929**	**20,505**	**16,636**

Financial Risk Management Objectives

The Group seeks to minimise the effects of foreign currency exchange risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign currency exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market Risk

There has been no change during the year to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Financial Statements

Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

26 FINANCIAL INSTRUMENTS (CONTINUED)

Foreign Currency Risk Management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	LIABILITIES 2010 $000s	LIABILITIES 2009 $000s	ASSETS 2010 $000s	ASSETS 2009 $000s
Group				
US Dollars	63	66	196	166
British Pounds	86	70	197	178
Euro	4	–	429	48
Australian Dollars	32	13	173	375
Parent				
US Dollars	–	–	–	–
British Pounds	–	–	–	–
Euro	–	–	–	–
Australian Dollars	–	–	–	–

Foreign Currency Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to exchange rate at the balance sheet date. This analysis is based on the closing foreign currency denominated monetary assets and monetary liabilities at the reporting date.

If exchange rates had been 10% higher and all other variables were held constant, the position would have been:

Group				
US Dollars	57	60	178	151
British Pounds	79	63	179	162
Euro	3	–	394	44
Australian Dollars	30	12	158	341

Profit for the year ended 30 June 2010 would decrease by $70,000 (2009: $55,000).

If exchange rates had been 10% lower and all other variables were held constant, the Group's position would have been:

Group				
US Dollars	69	73	218	184
British Pounds	95	77	219	198
Euro	4	–	476	54
Australian Dollars	36	14	193	417

Profit for the year ended 30 June 2010 would increase by $92,000 (2009: $71,000).

26 FINANCIAL INSTRUMENTS (CONTINUED)	GROUP 2010	GROUP 2009	PARENT 2010	PARENT 2009
Forward Foreign Exchange Contracts				
Outstanding Contracts				
Buy/Sell AUD				
Average Exchange Rate	–	0.8052	–	0.8502
Foreign Currency (FC '000)	–	A$219,766	–	A$219,766
Contract Value (NZD '000)	–	$272,933	–	$272,933
Fair Value	–	$272,532	–	$272,532
Buy/Sell EUR				
Average Exchange Rate	–	0.4715	–	0.4715
Foreign Currency (FC '000)	–	€882,805	–	€882,805
Contract Value (NZD '000)	–	$1,871,318	–	$1,871,318
Fair Value	–	$1,914,539	–	$1,914,539

If exchange rates had been 50 basis points higher and all other variables were held constant, the Group's:
- profit for the year ended 30 June 2010 would increase by $nil (2009: $21,312).

If exchange rates had been 50 basis points lower and all other variables were held constant, the Group's:
- profit for the year ended 30 June 2010 would decrease by $nil (2009:$21,753).

Equity is impacted to the same extent as profit.

If exchange rates had been 50 basis points higher and all other variables were held constant, the Parent's:
- profit for the year ended 30 June 2010 would increase by $nil (2009: $21,312).

If exchange rates had been 50 basis points lower and all other variables were held constant, the Parent's:
- profit for the year ended 30 June 2010 would decrease by $nil (2009:$21,753).

Equity is impacted to the same extent as profit.

Interest Rate Risk Management

The Parent and Group are exposed to interest rate risk as entities in the Group borrow funds at fixed interest rates. The risk is managed by the Group by maintaining an appropriate level of debt.

The Parent and Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date. The Company's sensitivity to debt interest rates has remained consistent with the previous year given borrowings have fixed interest rates. This analysis is assuming the amount of deposits held at the balance sheet date was outstanding for the whole year.

If interest rates had been 50 basis points higher and all other variables were held constant, the Group's:
- profit for the year ended 30 June 2010 would decrease by $37,685 (2009: $1,250).

If interest rates had been 50 basis points lower and all other variables were held constant, the Group's:
- profit for the year ended 30 June 2010 would increase by $37,685 (2009: $1,250).

Equity is impacted to the same extent as profit.

If interest rates had been 50 basis points higher and all other variables were held constant, the Parent's:
- profit for the year ended 30 June 2010 would decrease by $37,685 (2009: $1,250).

If interest rates had been 50 basis points lower and all other variables were held constant, the Parent's:
- profit for the year ended 30 June 2010 would increase by $37,685 (2009: $1,250).

Equity is impacted to the same extent as profit.

Financial Statements

Notes to the Financial Statements (continued) FOR THE YEAR ENDED 30 JUNE 2010

26 FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Financial instruments which potentially subject the Group to credit risk principally consist of bank transactions and deposits, accounts receivable and sundry accounts receivable. The Group has a credit policy which is used to manage its exposure to credit risk. As part of this policy, limits on exposures have been set and are monitored on a regular basis.

In the normal course of business amounts due from the Ministry of Transport represent, a significant account receivable, and a concentration of credit risk. However the Directors do not expect any loss from non-performance of this counterparty.

The Group does not require collateral or security to support financial instruments due to the quality of financial institutions and trade debtors dealt with.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 12 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Liquidity and Interest Risk Tables

The following tables detail the Parent and Group's remaining contractual maturity for its non-derivative financial liabilities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes principal cash flows.

	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS
Fixed Interest Rate Instruments				
Weighted Average Effective Interest Rate	6.35%	6.18%	6.35%	6.18%
	$000s	$000s	$000s	$000s
At 30 June 2010				
On-Call Advance	815	–	–	–
Borrowings	3,000	5,000	1,000	–
Trade and Other Payables	4,478	–	–	–
Directors' Fees Payable	17	–	–	–
At 30 June 2009				
On-Call Advance	–	–	–	–
Borrowings	4,000	2,000	–	–
Trade and Other Payables	3,923	–	–	–
Directors' Fees Payable	6	–	–	–

The Group has access to financing facilities, the total unused amount of which is nil at the balance sheet date. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

26 FINANCIAL INSTRUMENTS (CONTINUED)

Fair Value Estimation

Effective 1 July 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Derivatives

Forward foreign exchange contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Valuation of Weather Commerce Limited Option

The option to purchase the remaining 50% of the share of Weather Commerce Limited has been valued using the Black Scholes Merton option pricing model with the following input assumptions:

Grant Date	31 March 2008
Value Date	30 June 2010
Expiry Date	31 March 2011
Volatility Range	25 - 35%
Risk Free Rate	2.05%

The option value of GBP 17,617 has been translated at value date to New Zealand dollars using a foreign currency exchange rate of NZD:GBP 0.462.

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL BALANCE
	$000s	$000s	$000s	$000s
2010				
Assets				
Forward Foreign Exchange Contracts	–	–	–	–
Call Option – Weather Commerce Limited	–	–	38	38
TOTAL ASSETS	**–**	**–**	**38**	**38**
2009				
Assets				
Forward Foreign Exchange Contracts	–	43	–	43
Call Option – Weather Commerce Limited	–	–	56	56
TOTAL ASSETS	**–**	**43**	**56**	**99**

Other items

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

	GROUP 2010	GROUP 2009	PARENT 2010	PARENT 2009
27 CAPITAL COMMITMENTS	$000s	$000s	$000s	$000s
Commitments for the acquisition of property, plant and equipment	8,609	2,006	8,493	2,006

Financial Statements

Auditor's Report

PRICEWATERHOUSECOOPERS

To the readers of Meteorological Service of New Zealand Limited and Group's financial statements for the year ended 30 June 2010

The Auditor-General is the auditor of Meteorological Service of New Zealand Limited (the Company) and the Group comprising the Company and its subsidiaries. The Auditor-General has appointed me, Karen Shires, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements of the Company and Group, on her behalf, for the year ended 30 June 2010.

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UNQUALIFIED OPINION

In our opinion:

- The financial statements of the Company and Group on pages 2 to 38:
  - comply with generally accepted accounting practice in New Zealand; and
  - comply with International Financial Reporting Standards; and
  - give a true and fair view of:
    - the Company and Group's financial position as at 30 June 2010; and
    - the results of operations and cash flows for the year ended on that date.
- Based on our examination the Company kept proper accounting records.

The audit was completed on 25 August 2010, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board of Directors;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

Auditor's Report

PRICEWATERHOUSECOOPERS

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE AUDITOR

The Board of Directors is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must give a true and fair view of the financial position of the Company and Group as at 30 June 2010 and the results of operations and cash flows for the year ended on that date. The Board of Directors' responsibilities arise from the State-Owned Enterprises Act 1986 and the Financial Reporting Act 1993.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 19(1) of the State-Owned Enterprises Act 1986.

INDEPENDENCE

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit we have no relationship with, or interests in, the Company or Group.

Karen Shires
On behalf of the Auditor-General

PricewaterhouseCoopers
Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of the Company and Group for the year ended 30 June 2010 included on the Company's website. The Board of Directors is responsible for the maintenance and integrity of the MetService website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 25 August 2010 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

Key Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2010	STATEMENT OF CORPORATE INTENT TARGET	ACTUAL 2010	ACTUAL 2009
Net Surplus Attributable to Shareholders ($000s)	2,664	2,443	3,248
Return on Equity (NPAT / Average Equity)	23.6%	20.3%	32.5%
Operating Margin	11.1%	12.5%	14.3%
Equity Ratio	41.1%	43.5%	47.7%
Accounting Value of Crown's Investment ($000s)	11,797	12,700	11,357
Interest cover (EBIT / Net Interest Expense)	8.0	10.4	14.3
Debt Coverage Ratio (Debt / EBITDA)	1.1	1.0	0.7
Probability of Detection (POD)	**Minimum**		
Heavy Rain	79%	93%	92%
Heavy Snow	77%	92%	91%
Severe Gales	77%	92%	97%
False Alarm Ratio (FAR)	**Maximum**		
Heavy Rain	36%	16%	12%
Heavy Snow	38%	15%	25%
Severe Gales	38%	16%	20%

Quality Certification

We retained full ISO 9001: 2000 re-certification and are happy to report that the quality system auditors found us fully compliant. We also retained our Civil Aviation Rule Part 174 certification again receiving re-certification with a high standard against the measurement criteria.

POD: Probability of Detection measures the proportion of forecast events against actual events.
FAR: False Alarm Ratio measures the proportion of forecasts where the actual event did not reach the warning criteria.

Warning Criteria

MetService is required to issue warnings of widespread hazardous weather, which may cause conditions that could threaten life or property on land. Warnings are issued to a variety of organisations and the media in the form of Severe Weather Warnings.

Warnings of heavy rain are issued when:
Rain is expected to exceed 50mm in six hours; or rain is expected to exceed 100mm in 24 hours.

Warnings of heavy snow are issued when:
Snow is expected to affect areas below 1000m in the North Island; or snow is expected to affect areas below 500m in the South Island; or snow is expected to exceed 10cm in six hours, or 25cm in 24 hours.

Warnings of severe gales are issued when:
Sustained winds are expected to exceed 47kt or gusts exceed 60kt over land.

Company Directory

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David Houldsworth
Joanne Keestra
James Koh
Polly Schaverien (Deputy Chair)
Gregory Whitau

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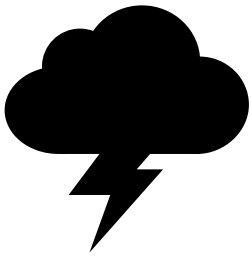

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