WIDESPREAD
PORTFOLIOS LTD

ANNUAL REPORT | 2009

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Directors' Report

The year to 31 March 2009 was a year most of us have never seen and which we would like to forget. Worldwide markets melted down in a manner not seen since the Great Depression of the 1930s.

As an investor directly in equities and indirectly in commodities, Widespread Portfolios was severely impacted.

Our major investment, Asian Mineral Resources (AMR) plunged in value from CAD 1.51 in June 2008 to a low of 3 cents in November 2008. Its share price has subsequently recovered to 13 cents at the time of writing. Our two other major investments, King Solomon Mines and Golden Phoenix Resources were both similarly affected by the anarchic conditions in equities markets and commodity prices.

As a result, our shareholders' funds (as recorded in our formal, New Zealand International Financial Reporting Standards ("NZIFRS") dictated financial statements) reduced from NZD 17.562 million in March 2008 to NZD 4.290 million a year later. In our view the inflexibility of NZIFRS has created a distortion in the reported carrying value of AMR, our major investment. This is discussed in further detail later in this report.

Operating result for the year

The after tax operating result, including unrealised losses on the share-trading portfolio and other non-cash provisions, was a loss of NZD 6,659,000 (2008, loss of NZD 751,000). An analysis of the trading result is provided in the table below

	Year to 31 March 09 ($,000)	**Year to 31 March 08 ($,000)**
Gains on the sale of shares	-	955
Other income	216	225
Total Income	216	1,180
Loss on the sale of shares	(200)	-
Unrealised gains (losses) on trading stock	11	(1,051)
Operating expenses	(600)	(611)
Impairment on investments	(6,008)	-
Warrant expense	-	(288)
Share of Widespread Energy loss	(193)	-
Net profit before income tax	(6,774)	(770)
Income tax	(115)	(19)
Net profit (loss) after tax	(6,659)	(751)

Disregarding unrealised losses and non-cash provisions, the operating outcome for the year was a pre-tax loss of NZD 776,000 (2008 profit of NZD 569,000).

Major Investments

Despite these setbacks, Widespread still holds a diverse set of mining sector investments, both in terms of geographical spread and by commodity.

Our major investments are detailed in the table below on the basis of their market values (excluding Asian Minerals) as at the date of this report.

	Activity	**% portfolio today**	**Cents per WID share today**
Asian Minerals	Nickel, Vietnam	63.3	19.9
King Solomon	Molybdenum, gold, China	10.2	3.2
Widespread Energy	Oil & gas, rock phosphate, NZ	7.8	2.5
Golden Phoenix	Gold, China	5.4	1.7
Other long term holdings	Gold, NZ Uranium, USA	4.4	1.3
Cash		5.4	1.7
Trading portfolio		3.5	1.1
Total		100.0	31.5

Asian Minerals is included at directors' valuation based on a share of net assets. This valuation approach takes into account various independent project valuations and related sensitivity analyses undertaken by Malaysian Smelting, AMR management, and two of the "big four" auditing firms.

Carrying value of our major investment – Asian Minerals

Our significant shareholding in Asian Minerals has created somewhat of a valuation dilemma for our auditors, certainly in terms of our formal reporting requirements. These are dictated by the New Zealand version of IFRS.

IFRS dictate that "fair value" for our Asian Minerals holding is determined by the TSX.V (Canada stock exchange) market price. Our auditors have determined that the most relevant market price is the last 20 day VWAP (volume weighted average price) prior to 20 May. This represents "fair value" as far as these regulations permit. The May 2009 20-day VWAP is CAD 18.5 cents which values Asian Minerals at CAD 18.5 million (AMR has approximately 100 million shares on issue).

The two principal weaknesses in this approach are that a) it assumes an efficient market exists for AMR shares and b) that the market value of small parcels of AMR shares is the same as that for large holdings. Neither assumption is correct in respect of Asian Minerals shares and therefore "fair value" is not even a distant cousin of the market price.

As 98.7% of the shares in Asian Minerals are held by the top 20 shareholders (predominantly major, mining sector focussed institutional investors who are long term holders) only 1.3% of the issued capital is effectively free to trade. Due to this lack of liquidity share turnover figures are usually very low and only small share parcels are being traded sporadically, presumably by Canadian mum and dad investors.

The AMR market is so thin that none of the major holders would contemplate selling or buying on-market because either action would certainly result in severe price distortion. The Asian Minerals share register is dominated by large strategic stakes. Widespread, with 6.93%, holds the third largest shareholding, is represented on the Asian Minerals board, and forms part of the shareholding bloc that dominates the share register.

Malaysian Smelting Corporation, a Malaysian listed mining conglomerate also represented on the board, holds the second largest shareholding. Its recent annual report records that its 18.2% Asian Minerals shareholding is valued at CAD 26.4 million, effectively valuing the company at CAD 145 million. This audited carrying value is based on a robust project valuation of the Ban Phuc Nickel Mine forecast cash flows. This project valuation obviously matches or exceeds CAD 145 million.

The recently published Asian Minerals annual report records net assets of CAD 48 million. This figure is based primarily on construction costs capitalised since the mining license was granted in December 2007. This carrying value has been sustained, in discussion with the AMR auditors, again based on project valuations that obviously match or exceed CAD 48 million (as if they hadn't an impairment write-down would have been necessary).

The point of all of this is that AMR's directors and one of its major shareholders, a sophisticated and very substantial (total assets NZD 489 million) mining sector investor consider the value of Asian Minerals to lie somewhere in the range of CAD 48 million to CAD 145 million. Both carrying valuations have been subject to the intense scrutiny of the respective auditors concerned. Both valuations are lower than the market value of Asian Minerals in mid 2007 before the mining license was granted.

In contrast Widespread Portfolios is obliged in its formal financial statements to record a carrying value for its share-holding which implies a value for 100% of Asian Minerals of CAD 18.5 million.

Clearly, for the reasons already outlined, neither Widespread Portfolios nor the other major shareholders consider the present Asian Minerals market value has any relevance to the price at which they would consider selling their holdings. And even if the listed market price were significantly higher an additional control premium would normally be payable for these shareholdings.

We believe that the best way to deal with this anomaly is to outline our company's financial position and particularly the net assets per share, based on four possible approaches to valuing the Asian Minerals shareholding.

- Malaysian Smelting Corporation audited project valuation
- Share of Asian Minerals audited net assets (our preferred approach)
- 20 day May 2009 VWAP on TSX.V (per NZIFRS dictate)
- Current AMR spot price on TSX.V

The table below demonstrates the huge impact that the varying Asian Minerals valuations have on the value of Widespread shares.

	Implied AMR 6.9% Shareholding Valuation	Widespread Portfolios Net Assets	Widespread Net Assets per share
AMR Valuation approach*	**(NZD m)**	**(NZD m)**	**(NZD cents)**
Malaysian Smelting (DCF)	14.506	17.384	81.1
AMR Share of Net Assets	4.776	7.654	35.7
AMR Market (May 2009 20 day VWAP)	1.834	4.712	22.0
AMR Spot Market	1.294	4.172	19.5

*Based on exchange rate of NZD1.00 = CAD 69.7 cents

We prefer the bricks and mortar based net assets figure of CAD 48 million, partially because this would be the floor price if it were decided by Asian Minerals to sell the project together with the mining license, exploration programme data, and other intellectual property in the company. Approximately CAD 75 million has been invested in the project since 1989.

The comparative valuation data in the table above, updated for daily currency and market price movements will regularly be posted on the home page of www.widespread.co.nz and advised to NZX every Friday.

Given the transparency of this information, our shareholders can then decide for themselves what they consider to be the value of our shares.

Trading since Balance Date

The year to 31 March 2010 has opened on a very quiet note. The pre-tax operating profit for the first two months, including fee income and one realised share-trading gain, is a small loss. There has been an improvement in the market value of both AMR and King Solomon Mines as well as our Canadian trading stocks.

Objectives for 2009/2010

The milestones we would like to achieve in the next 12 months include:

- Continued support from the Vietnamese Government including further initiatives that will enable completion and commissioning of AMR's nickel mine in north-western Vietnam
- A successful AMR exploration programme
- Exploration success for King Solomon Mines in Inner Mongolia
- Advances in the Widespread Energy work programmes in respect to the Green Gate, offshore West Coast and Kotuku oil and gas prospects
- Granting of the Chatham Rise mineral exploration permit followed by an active work programme
- Building value in our other strategic holdings
- An increase of at least 50% in the Widespread net asset backing per share
- A positive pre-tax trading profit for the year (in other words excluding non realised gains and losses)

Having reduced our operating costs significantly, we have the cash or near resources to sustain the company well into 2011 by which time we expect market conditions to have improved and/or one or more of our major investments will have achieved success.

Annual Meeting

The Annual General Meeting of shareholders will be held at 5pm, 26 July at The Wellesley, 2-8 Maginnity Street, Wellington.

Auditors, Dividend & Directors

WHK Sherwin Chan & Walshe have confirmed their willingness to continue in office as Auditors to the Company.

The directors do not propose to recommend a dividend in respect of the period under review. This is in accordance with the Company's stated core philosophy concerning dividends.

In accordance with the Constitution, Linda Sanders and Keith Hindle retire by rotation and being eligible offer themselves for re-election to the board.

Non-executive director Denis Kelly was appointed as a director by the Board of the Company on 12 January 2009. In accordance with the Constitution of the Company his appointment is required to be confirmed by shareholders at the next shareholder meeting. Being eligible, he offers himself for re-election.

NZX Waiver

Marion Franks resigned as a director of the Company on 30 November 2008 and had been an independent director of the Company under the NZSX Listing Rules. On 27 November 2008, NZX Limited granted a waiver to the Company from the requirements of Listing Rule 3.3.1 (that an issuer must have a minimum of two independent directors) and Listing Rule 3.6.2 (that a majority of the directors on the audit committee of an issuer are independent directors) for a period of three months pending a replacement for Ms Franks being appointed. The Company's reliance upon the waiver ended on 12 January 2009 when Mr Denis Kelly was appointed to the Board as he is considered to be an independent director.

For and on behalf of the Board,

Linda J Sanders
Chairperson
Takaka, 18 June 2009

Chris D Castle
Director
Takaka, 18 June 2009

Operations Review

Our major investments comprise shareholdings in Asian Mineral Resources, King Solomon Mines, Widespread Energy and the Chatham Rise Rock Phosphate Joint Venture.

Asian Mineral Resources (“ASN”)

Until 13 June 2008, AMR was steadily progressing towards its goal of establishing a small-scale, high-grade underground nickel mine in northern Vietnam. The mining license had finally been granted in December 2007, substantial sums of money raised in early 2008 (including USD 34 million invested by Malaysian Smelting Corporation for an 18.2% stake in the company), and the mining camp, processing plant and mine development were well advanced and proceeding according to plan. The company had already invested USD 61.5 million in the project since its inception and was in negotiations with a number of potential financiers willing to invest another USD 45 million to finance the completion of the plant. With 100 million shares on issue the market value of the company was then approximately CAD 150 million.

On 13 June 2008, the Vietnamese Ministry of Finance introduced a number of economic measures including a 20% export tariff on oil, gas, and various metals, including nickel and copper. As there is no smelter in Vietnam capable of handling nickel and copper, the mine output must be exported and the export tariff was therefore effectively a 20% royalty on all mine revenue.

Few mining projects can withstand a royalty of this magnitude and this initiative (combined with a fall in the nickel price) effectively destroyed overnight the viability of the Ban Phuc nickel mine development. The consequences of this impacted immediately on the company – the finance negotiations were suspended and the market value of the company collapsed, to a low of CAD 3 million. The project was mothballed with most of the 538 people (predominantly Vietnamese) who were involved in the construction being laid off.

There is light on the horizon – Asian Minerals announced last month that the Vietnamese Ministry of Industry and Trade had agreed to relax export restrictions and that ongoing progress was expected in the dialogue with the authorities on other important Vietnamese issues. The most important of these issues is a significant reduction in the presently proposed 20% nickel export tariff. It is comforting that tariffs on several other commodities exported have already been reduced.

The other important variable impacting on the project’s viability, the market value of nickel, is also steadily rising and at the time of writing was over USD 6.50/lb.

The combined effect of the progress with the Vietnamese government and the rising nickel price has seen the market value of Asian Minerals rise significantly to a recent peak of CAD 23 million. The company has capitalised on this and is presently raising further funds by means of private placements. This initiative has impacted, as is normal in these circumstances, on the current market value of the shares. Hopefully once this financing is out of the way the market value of the company will continue to build, project finance will be sourced, construction will recommence in 2010 and the plant will be commissioned in 2011.

More information about ASN can be sourced at www.asianminres.com

King Solomon Mines (“KSO”)

ASX listed King Solomon Mines is an active minerals explorer with gold and copper projects principally in the Sonid region of Inner Mongolia in China. Sonid is on the edge of the Gobi desert - along strike and across the Mongolian-Chinese border from Ivanhoe’s well-known and huge Oyu Tolgoi copper/gold deposit.

After significant exploration activity during 2007/8 the 2009 exploration initiatives comprise:

- A combination trenching and mapping programme over the South Ridge and Three Eagles gold prospects at Naogaoshandu
- At Marmot Ridge, field and drill-core checking of an updated copper-molybdenum mineralisation model derived from 2008 results prior to drill-site selection.
- Field trials of the use of MMI (mobile metal ion) sampling for sensing through sand cover at Naogaoshandu, Beyinhar North and Wuritu.

At the end of the March Quarter, KSO had cash on hand of AUD 3.932 million, adequate resources to fund the company’s activities until well into 2011.

Widespread Portfolios is the largest KSO shareholder with 11% of the present issued capital of 90,775,040 shares and is represented on the board by Chris Castle.

Further information about King Solomon Mines can be found at www.kingsolomonmines.com

Widespread Energy ("WEN")

Widespread Portfolios holds 26% of WEN and provides management and administrative support services to the company.

Widespread Energy Limited recently reported a loss for the year to 31 March 2009 of $516,000 (2008 loss $85,000).

The reported result for the year reflected lower income (due to reduced cash reserves and lower interest rates), a partial write-down of the investment in Green Gate Limited, and exploration costs written off consequent to a decision to relinquish a non-prospective portion of the offshore West Coast exploration license. Operating costs were slightly reduced.

Widespread Energy operates in two distinct markets – in an operational sense it is an active explorer in the oil and gas sector and it sources its funding from equity investors.

Both sectors have experienced major setbacks in the last 12 months. The oil price is now less than 50% of levels prevailing this time last year and the equity markets, particularly those in the oil and gas junior exploration sector, have fared even worse.

As a result of these changes, Widespread Energy is not, and has not for several months, been attempting to either raise funds from investors or to actively seek farm-in partners for the directly held petroleum exploration permits. These markets simply do not exist so WEN has avoided fruitlessly squandering resources pursuing these objectives.

The strategy adopted has been is to continue to work on the two licenses, to continue to meet work programme commitments and to pay license fees in order to keep these assets in good standing. .

Over time market conditions are expected to improve and with that WEN's ability to raise equity and/or to negotiate farm-in agreements should be enhanced.

As far as the latter option (farm-ins) there are already encouraging signs that the market is awakening.

The same difficult market conditions have forced Green Gate Limited, to relinquish four of its five prospecting licenses. The write-down by WEN of this investment recognised that reality.

The other significant endeavour, the Chatham Rise rock phosphate project (held in a joint venture with Widespread Portfolios), has been progressed to the extent that it can while the joint venture awaits the grant of the prospecting license. Further information about this project is included in the next section of this report.

Chatham Rise Phosphorites (rock phosphate or P2O5)

In August 2007 a Joint Venture comprising Widespread Portfolios (10%) and associated company Widespread Energy (90%), applied for an offshore prospecting permit covering an area of 3,048 km2 on the central Chatham Rise. The area encompassed by the permit is located 600 km east of Christchurch and includes significant seabed deposits of rock phosphate and other potentially valuable minerals.

At the time of writing it is believed that the license grant process is almost complete.

Extensive exploration conducted in the 1970s and 1980s by NZ and German private and public sector interests indicated the potential for economic concentrations of phosphorite on the Chatham Rise. Although significant sample quantities were gathered during these exploration programmes, no historical production has occurred from this region.

Recent quantum increases in the market value of rock phosphate (from US$50/tonne to US$400 in the last 18 months) means profitable exploitation of this marine mineral deposit is now more likely to be feasible.

At present virtually all of the rock phosphate used by the New Zealand fertiliser industry is imported from Morocco, with rapidly increasing transport costs arising from oil price increases adding to the local landed costs of this product.

In these circumstances the existence of a New Zealand centred resource, if it can be mined economically, would benefit all stakeholders in the fertiliser industry and also reduce the degree to which the New Zealand agriculture sector is becoming increasingly exposed to increasing oil prices.

Published reports arising from the 1980s exploration programmes indicate that the phosphorite resource may exceed 100 million tonnes. The phosphorite occurs in nodules that also contain a number of other potentially valuable substances, including rare earth minerals and fluorine.

If it can be established that there is a phosphorite resource of 100 million tonnes, the present in-situ value of the rock phosphate alone could be worth, at present market prices, around NZ$66 billion. This is a large number and difficult to reconcile with the current market values of Widespread Portfolios (NZD 4.4 million) and Widespread Energy (NZD 2 million).

Possible Project Economics

In order to better understand the potential value of this mineral asset, assuming it were mined, preliminary feasibility studies have been undertaken by the Widespread Joint Venture, based on the following assumptions:

- A probable reserve of 14 million tonnes of P2O5 exists in a well defined section of the license area under application
- This is mined at a rate of 500,000 tonnes a year to replace 50% of P2O5 presently imported
- Mining and local transport costs are $US 85 tonne
- Capital Costs are $US 300 million
- Imported P2O5 costs $US 200/t f.o.b. ex Morocco plus $US 120/t shipping cost, i.e. $US 320 c.i.f. in New Zealand

Based on these crude assumptions the project could generate annual cost savings of $US 55 million ($NZ 91.7 million) compared with importing P2O5 from Morocco.

When the prospecting license is granted the work programme for the first 12 months will commence immediately. It includes, inter alia, a literature review of reports arising from previous phosphorite exploration in the license area, digitisation and re-analysis of data collected at that time, and a pre-feasibility study focusing on the project economics. If the results of this work are promising, an early start will be made to the year two programme, which will involve extensive sampling aimed at reserve definition.

Other Investments

Our less significant investments comprise shareholdings in Golden Phoenix Resources, Fischer-Watt Gold and Glass Earth Gold.

Golden Phoenix Resources is a China based, Australian registered private company. Its key focus is gold and base metal exploration in China. The company plans to list on the ASX in due course.

Fischer-Watt Gold is a junior mining company traded over the counter by broker under the symbol of FWGO. The company has recently finalised the acquisition of Tournigan USA Inc. ("TUSA"), a wholly-owned subsidiary of Tournigan Energy Ltd. (TSX-V:TVC). The prime asset in TUSA is its portfolio of mineral claims and leases on over 55,000 acres in Wyoming, South Dakota and Arizona that cover some of the most prospective uranium-bearing geology in the United States.

More information can be found at www.fischer-watt.com

Dual-listed **Glass Earth Gold Limited,** (Toronto: TSX-V:GEL / New Zealand: NZAX:GEL), was established to discover and develop world-class gold/silver and geothermal opportunities in New Zealand. The strategy adopted by Glass Earth Gold has been to integrate all fields of earth sciences to provide a fuller understanding of the first two kilometres of the earth's crust.

Compared to other gold regions around the world, New Zealand is relatively under-explored with modern exploration techniques. Glass Earth is focusing its exploration efforts on four prospective gold regions in New Zealand: the Hauraki Region, the Mamaku Region, the Central Volcanic Region and the Otago Region.

For further details on these projects visit www.glassearthlimited.com

Balance Sheet as at 31 March 2009

		Group		Company	
In thousands of dollars	**Note**	**2009**	**2008**	**2009**	**2008**
Assets					
Other investments	11	3,496	16,979	-	-
Investments in subsidiaries	11	-	-	3,407	6,462
Investments in equity accounted investees	10	280	-	-	-
NZX Bond		100	91	100	91
Total non-current assets		**3,876**	**17,070**	**3,507**	**6,553**
Cash and cash equivalents	13	302	87	-	-
Brokers current accounts		-	306	-	-
Trade and other receivables		48	26	5	1
Other investments	11	146	274	-	-
Prepayments		9	10	9	10
Current tax assets	9	13	-	3	1
Deferred tax	12	-	-	6	4
Advance to a subsidiary		-	-	266	2,122
Total current assets		**518**	**703**	**289**	**2,138**
Total assets		**4,394**	**17,773**	**3,796**	**8,691**
Equity					
Share capital	14	11,897	11,372	11,897	11,372
Reserves	14	198	7,336	113	113
Accumulated losses		(7,805)	(1,146)	(8,242)	(2,844)
Total equity attributable to equity holders of the Company		**4,290**	**17,562**	**3,768**	**8,641**
Total equity		**4,290**	**17,562**	**3,768**	**8,641**
Liabilities					
Trade and other payables		79	50	28	50
Taxation payable	9	-	101	-	-
Deferred taxation	12	25	59	-	-
Advance to Widespread Energy Limited	19	-	1	-	-
Total liabilities		**104**	**211**	**28**	**50**
Total equity and liabilities		**4,394**	**17,773**	**3,796**	**8,691**

The financial statements have been approved by the Board of Directors on 27 May 2009.

Chris D Castle

Linda J Sanders

The notes on pages 12 to 31 are an integral part of these financial statements.

Income Statement for the year ended 31 March 2009

		Group		Company	
In thousands of dollars	**Note**	**2009**	**2008**	**2009**	**2008**
Continuing operations					
Revenue		**161**	**183**	**-**	**-**
Gross profit		**161**	**183**	**-**	**-**
Finance income	7	55	524	12	6
Finance expenses	7	(189)	(579)	-	-
Net finance (expenses)/income		**(134)**	**(55)**	**12**	**6**
Other income – subvention payment receipt		-	-	239	-
Administrative expenses	8	(600)	(898)	(214)	(550)
Impairment in advance to a subsidiary	11	-	-	(2,382)	-
Impairment on investments	11	(6,008)	-	(3,055)	-
Results from operating activities		(6,581)	(770)	(5,400)	(544)
Share of loss of equity accounted investees	10	(193)	-	-	-
Profit/(loss) before income tax		**(6,774)**	**(770)**	**(5,400)**	**(544)**
Income tax (credit)/expense	9	(115)	(19)	(2)	11
Profit/(loss) from continuing operations		**(6,659)**	**(751)**	**(5,398)**	**(555)**
Earnings per share	15				
Basic earnings/(loss) per share (New Zealand cents)		(2.243)	(0.0755)		
Diluted earnings/(loss) per share (New Zealand cents)		(1.0570)	(0.0391)		

The notes on pages 12 to 31 are an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2009

		Group		Company	
In thousands of dollars	**Note**	**2009**	**2008**	**2009**	**2008**
Opening equity as at 1 April		17,562	19,367	8,641	7,658
Total recognised revenues and expenses					
Net change in fair value of available-for-sale financial assets		(7,165)	(2,795)	-	-
Deferred tax recognised in equity	12	27	203	-	-
Income and expense recognised directly in equity		(7,138)	(2,592)	-	-
Profit/(loss) for the year		(6,659)	(751)	(5,398)	(555)
Total recognised income and expense for the year		(13,797)	(3,343)	(5,398)	(555)
Contributions from owners					
Issue of shares	14	525	1,425	525	1,425
Own shares acquired	14	-	(175)	-	(175)
Share-based payments	16	-	288	-	288
Total contributions from owners		**525**	**1,538**	**525**	**1,538**
Closing equity as at 31 March		**4,290**	**17,562**	**3,768**	**8,641**

The notes on pages 12 to 31 are an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2009

		Group	
In thousands of dollars	**Note**	**2009**	**2008**
Cash flows from operating activities			
Cash received from customers		157	200
Proceeds from sale of other investments current		165	1,980
Net interest received		33	30
Tax refund received		-	13
Cash paid to suppliers		(586)	(606)
Purchase of other investments current		(211)	(549)
Net cash from/(used in) operating activities	**18**	**(442)**	**1,068**
Cash flows from investing activities			
Proceeds from broker current accounts		306	1
Proceeds to/(from) related parties		-	(104)
Purchase of other investments non-current		(165)	(2,192)
Reinvested interest NZX Bond		(9)	(5)
Net cash from/(used in) investing activities		**132**	**(2,300)**
Cash flows from financing activities			
Proceeds from issue of share capital	14	525	1,425
Own shares acquired	14	-	(175)
Net cash from/(used in) financing activities		**525**	**1,250**
Net (decrease)/increase in cash and cash equivalents		215	18
Cash and cash equivalents at 1 April		87	69
Cash and cash equivalents at 31 March	**13**	**302**	**87**

The notes on pages 12 to 31 are an integral part of these financial statements.

Notes to Financial Statements for the year ended 31 March 2009

1. Reporting entity

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

Financial statements for the Company (separate financial statements) and consolidated financial statements are presented. The consolidated financial statements of Widespread Portfolios Limited as at and for the year ended 31 March 2009 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

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

2. Basis of preparation

a. Statement of compliance

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

The financial statements were approved by the Board of Directors on – 27 May 2009.

b. Basis of measurement

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

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

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

c. Functional and presentation currency

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

d. Use of estimates and judgements

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

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

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

- Note 4(a) – valuation of unlisted investments

3. Significant accounting policies

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

a. Basis of consolidation

i. Subsidiaries

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

ii. Acquisitions from entities under common control

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

iii. Associates (equity accounted investees)

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

iv. Transactions eliminated on consolidation

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

b. Foreign currency

Foreign currency transactions

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

c. Financial instruments

Non-derivative financial instruments

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

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

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

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income and expense is discussed in note 3(g).

Available-for-sale financial assets

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

Instruments at fair value through profit or loss

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

Other

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

Investments in equity securities

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

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

Receivables

Receivables are stated at their cost less impairment losses.

Trade and other payables

Trade and other payables are stated at cost.

Share capital

Ordinary shares

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

Repurchase of share capital

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

d. Impairment

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

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

e. Director benefits

Share-based payment transactions

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

f. Revenue

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

g. Finance income and expenses

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

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

h. Income tax expense

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

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

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

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

i. Earnings per share

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

j. Segment reporting

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

4. Determination of fair values

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

a. Investments in equity and debt securities

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

b. Receivables

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

c. Share-based payment transactions

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

5. Segment reporting

Segment information is presented in respect of the Group's geographical segments. The Group has only one business segment, that being investment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical segments

The investment segment operates in three principal geographical areas, New Zealand, Canada and other. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of investments. Segment assets are based on the geographical location of the assets.

Group

In thousands of dollars	**New Zealand**	**Canada**	**Other**	**Total**
2009				
Interest revenue	39	1	-	40
Other revenue	84	63	29	176
Total revenue	**123**	**64**	**29**	**216**
Segment assets	**1,339**	**2,499**	**556**	**4,394**
2008				
Interest revenue	30	6	-	36
Other revenue	188	207	276	671
Total revenue	**218**	**213**	**276**	**707**
Segment assets	**2,477**	**13,855**	**1,441**	**17,773**

6. Revenue

	Group		**Company**	
In thousands of dollars	**2009**	**2008**	**2009**	**2008**
Consultancy fees	64	92	-	-
Directors fees	92	90	-	-
Dividends received	5	1	-	-
Total revenues	**161**	**183**	**-**	**-**

7. Finance income and expenses

	Group		Company	
In thousands of dollars	**2009**	**2008**	**2009**	**2008**
Interest income on bank deposits	40	36	12	6
Net gain on disposal of financial assets designated at fair value through profit or loss	-	482	-	-
Net foreign exchange gains	15	6	-	-
Finance income	**55**	**524**	**12**	**6**
Interest expense	-	(1)	-	-
Net loss on disposal of financial assets designated at fair value through profit or loss	(17)	-	-	-
Net change in fair value of financial assets designated at fair value through profit or loss	(172)	(578)	-	-
Finance expense	**(189)**	**(579)**	**-**	**-**
Net finance income/(expense)	**(134)**	**(55)**	**12**	**6**

8. Administrative expenses

The following items of expenditure are included in administrative expenses:

	Group		Company	
In thousands of dollars	**2009**	**2008**	**2009**	**2008**
Auditor's remuneration to WHK Sherwin, Chan & Walshe comprises:				
audit of financial statements	21	13	21	13
preparation of tax return	23	2	2	2
other audit-related services	19	9	13	9
Total auditor's remuneration	**63**	**24**	**36**	**24**
Accountancy	14	7	9	4
Consultants fees	12	7	12	7
Depreciation	1	1	-	-
Directors fees	55	56	55	56
Directors expenses	-	288	-	288
General expenses	19	36	11	31
Insurance	21	23	21	23
Legal fees	24	84	24	84
Listing fees	18	20	18	20
Management fees	342	338	-	-
Registry fees	19	11	19	11
Travel expenses	12	3	9	2
Total administration expenses	**600**	**898**	**214**	**550**

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

9. Income tax expense in the income statement

Reconciliation of effective tax rate

	Group		Company	
In thousands of dollars	**2009**	**2008**	**2009**	**2008**
Profit/(loss) for the year	(6,659)	(751)	(5,398)	(555)
Total income tax (credit)/expense	(115)	(19)	(2)	11
Profit/(loss) excluding income tax	**(6,774)**	**(770)**	**(5,400)**	**(544)**
Income tax using the Company's domestic tax rate (30%);(2008:33%)	**(2,032)**	**(254)**	**(1,620)**	**(180)**
Tax effect of:				
Non-deductible expenses	1,456	181	1,638	119
Non-assessable income	-	-	(72)	-
Current year losses for which no deferred tax asset is recognised	477	-	52	-
Change in unrecognised temporary differences	464	-	-	-
Investment income calculated under tax legislation	(372)	53	-	-
Losses transferred within group	-	-	-	72
Under provision in prior periods	(108)	1	-	-
Income tax (credit)/expense	**(115)**	**(19)**	**(2)**	**11**
Comprising:				
Current tax expense				
Current period	-	107	-	-
Adjustments for prior period	(108)	1	-	-
	(108)	**108**	**-**	**-**
Deferred tax expense				
Origination and reversal of temporary differences	(1,014)	(116)	(54)	10
Change in unrecognised temporary differences	1,007	-	52	-
Effect of reduction in tax rate	-	(11)	-	1
	(7)	**(127)**	**(2)**	**11**
Total income tax (credit)/expense in income statement	**(115)**	**(19)**	**(2)**	**11**
The current tax liability/(asset) consists of:				
Current income tax charge	-	108	-	-
Resident withholding tax paid	(13)	(6)	(3)	(1)
Overseas tax credits	-	(1)	-	-
Current tax liability/(asset)	**(13)**	**101**	**(3)**	**(1)**
Deferred tax expense recognised directly in equity				
Deferred tax on revaluation of current investments	(27)	(203)	-	-
	(27)	**(203)**	**-**	**-**

	Group		Company	
In thousands of dollars	**2009**	**2008**	**2009**	**2008**
Imputation credit account				
Imputation credits at 1 April	202	209	1	4
Resident withholding tax deducted	7	6	2	1
New Zealand tax payments, net of refunds	(6)	(13)	(1)	(4)
Imputation credits at 31 March	**203**	**202**	**2**	**1**

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

10. Equity accounted investees

The Group's share of loss in its equity accounted investees was completed for the first time for the year ended 31 March 2009. Accumulated losses of $193,000 were equity accounted for. Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group.

	Group
In thousands of dollars	**2009**
Ownership	26%
Current assets	388
Non-current assets	639
Total assets	**1,027**
Current liabilities	(63)
Total liabilities	**(63)**
Revenues	-
Expenses	(516)
Profit/(loss)	**(516)**

Movements in carrying value of equity accounted investees:

	Group
In thousands of dollars	**2009**
Balance at 1 April 2008	473
Share of profit/(loss)	(193)
Balance at 31 March 2009	**280**

11. Investments

Other investments

	Group		Company	
In thousands of dollars	**2009**	**2008**	**2009**	**2008**
Non-current investments				
Available-for-sale financial assets	3,446	16,979	-	-
Held-to-maturity	50	-	-	-
	3,496	**16,979**	**-**	**-**
Current investments				
Financial assets designated at fair value through profit or loss	146	274	-	-

An impairment loss of $6,088,000 in respect of investments was recognised during the current year owing to the reduction in the market value below cost of available-for-sale financial assets.

Investment in subsidiaries

	Group		Company	
In thousands of dollars	**2009**	**2008**	**2009**	**2008**
Non-current investments				
Investment in subsidiaries	-	-	3,407	6,462
	-	**-**	**3,407**	**6,462**

An impairment loss in the Parent Company of $3,055,000 in respect of investments in subsidiaries was recognised during the current year owing to the reduction in the market value of available-for-sale financial assets held in the subsidiary.

An impairment loss in the Parent Company of $2,382,000 in respect of an advance to a subsidiary was recognised during the current year owing to the reduction in the subsidiary's net assets due to the reduction in the market value of available-for-sale financial assets held in the subsidiary.

12. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
In thousands of dollars	**2009**	**2008**	**2009**	**2008**
Non-current investments	37	64	-	-
Current investments	(7)	(1)	-	-
Accrued income	1	-	-	-
Trade and other payables	(6)	(4)	(6)	(4)
Net tax (assets)/liabilities	**25**	**59**	**(6)**	**(4)**

Movement in temporary differences during the year:

In thousands of dollars	**Balance at 1/4/08**	**Recognised in income**	**Recognised in equity**	**Balance at 31/3/09**
Non-current investments	64	-	(27)	37
Current investments	(1)	(6)	-	(7)
Accrued income	-	1	-	1
Trade and other payables	(4)	(2)	-	(6)
	59	**(7)**	**(27)**	**25**

Movement in temporary differences during the year:

In thousands of dollars	**Balance at 1/4/07**	**Recognised in income**	**Recognised in equity**	**Balance at 31/3/08**
Non-current investments	267	-	(203)	64
Current investments	138	(139)	-	(1)
Trade and other payables	(4)	-	-	(4)
Tax losses	(11)	11	-	-
	390	**(128)**	**(203)**	**59**

Unrecognised deferred tax assets

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

	Group		**Company**	
In thousands of dollars	**2009**	**2008**	**2009**	**2008**
Tax losses	(543)	-	(52)	-
Non-current investments	(464)	-	-	-
Net tax (assets)/liabilities	**(1,007)**	**-**	**(52)**	**-**

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

13. Cash and cash equivalents

	Group	
In thousands of dollars	**2009**	**2008**
Bank balances	302	56
Call deposits	-	31
Cash and cash equivalents in the statement of cash flows	**302**	**87**

The effective interest rate on call deposits in 2009 was 6.3 percent (2008: 8.23). The deposits had an average maturity of 30 days (2008: 30 days).

14. Capital and reserves

Reconciliation of movement in capital and reserves

Group

In thousands of dollars	Share capital	Fair value reserve	Treasury shares	Share option reserve	Retained earnings	Total
Balance at 1 April 2007	9,947	9,815	-	-	(395)	19,367
Total recognised income and expense	-	(2,592)	-	-	(751)	(3,343)
Issue of ordinary shares	1,425	-	-	-	-	1,425
Own shares acquired	-	-	(175)	-	-	(175)
Share-based payments	-	-	-	288	-	288
Balance at 31 March 2008	**11,372**	**7,223**	**(175)**	**288**	**(1,146)**	**17,562**
Balance at 1 April 2008	11,372	7,223	(175)	288	(1,146)	17,562
Total recognised income and expense	-	(7,138)	-	-	(6,659)	(13,797)
Issue of ordinary shares	525	-	-	-	-	525
Balance at 31 March 2009	**11,897**	**85**	**(175)**	**288**	**(7,805)**	**4,290**

Reconciliation of movement in capital and reserves

Company

In thousands of dollars	Share capital	Treasury shares	Share option reserve	Retained earnings	Total
Balance at 1 April 2007	9,947	-	-	(2,289)	7,658
Total recognised income and expense	-	-	-	(555)	(555)
Issue of ordinary shares	1,425	-	-	-	1,425
Own shares acquired	-	(175)	-	-	(175)
Share-based payments			288		288
Balance at 31 March 2008	**11,372**	**(175)**	**288**	**(2,844)**	**8,641**
Balance at 1 April 2008	11,372	(175)	288	(2,844)	8,641
Total recognised income and expense	-	-	-	(5,398)	(5,398)
Issue of ordinary shares	525	-	-	-	525
Balance at 31 March 2009	**11,897**	**(175)**	**288**	**(8,242)**	**3,768**

Share capital

	Ordinary shares	
In thousands of shares	**2009**	**2008**
On issue at 1 April	1,020,017	932,500
Issue of ordinary shares	42,275	15,029
Exercise of warrants	-	81,988
Consolidation 1 for 50	(1,041,046)	-
Held as treasury stock	-	(9,500)
On issue at 31 March	**21,246**	**1,020,017**

The Group has also issued warrants.

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

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

Warrants

On 14 March 2007, the Company offered on a pro rata basis to all shareholders of the Company, one transferable Warrant for every 100 shares held. With the effect of the share consolidation on 7 July 2008, the number of shares into which a warrant may be exercised has been reduced from 100 shares to 2 shares. The Warrants have no minimal value. Each warrant entitles the holder, on exercise, to 2 shares (2008: 100 shares). Accordingly the remaining number of new shares that may be issued through the exercise of warrants is 17,010,246 (2008: 850,512,300). The Final exercise date is 30 June 2012, and after that the warrants lapse.

The exercisable price of the warrants is presently:

- Until 30 June 2009: 0.993 cents per new share or, in total, $1.986 per warrant.
- From 1 July 2009 until 30 June 2012: 1.493 cents per new share or, in total, $2.986 per warrant.

	Transferable Warrants	
In thousands of warrants	**2009**	**2008**
On issue at 1 April	8,505	9,325
Issue of ordinary shares	-	-
Exercise of warrants	-	(820)
On issue at 31 March	**8,505**	**8,505**

Fair value reserve

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

Treasury shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 March 2009 the Group held 190,000 of the Company's shares (2008: 9,500,000).

Share option reserve

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

15. Earnings/(loss) per share

Basic earnings/(loss) per share

The calculation of basic earnings per share at 31 March 2009 was based on the profit/(loss) attributable to ordinary shareholders of $(6,659,000) (2008: $(751,000)) and a weighted average number of ordinary shares outstanding of 296,935,000 (2008: 994,401,000), calculated as follows:

Profit/(loss) attributable to ordinary shareholders

	Group	
In thousands of dollars	**2009**	**2008**
Net profit/(loss) for the year	(6,659)	(751)

Weighted average number of ordinary shares

In thousands of shares	**2009**	**2008**
Issued ordinary shares at 1 April	1,029,517	932,500
Effect of warrants exercised May 07	-	1,523
Effect of warrants exercised June 07	-	8,338
Effect of warrants exercised July 07	-	51,588
Effect of shares issued March 08	-	452
Effect of shares issued June 08	32,644	-
Effect of shares issued July 08	239	-
Effect of share consolidation July 08	(765,465)	-
Weighted average number of ordinary shares at 31 March	**296,935**	**994,401**

Diluted earnings/(loss) per share

The calculation of diluted earnings per share at 31 March 2009 was based on profit/(loss) attributable to ordinary shareholders of $(6,659,000) (2008: $(751,000)) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 630,018,000 (2008: 1,919,551,000), calculated as follows:

Weighted average number of ordinary shares (diluted)

In thousands of shares	**2009**	**2008**
Weighted average number of ordinary shares (basic)	296,935	994,401
Effect of warrants on issue	333,083	925,150
Weighted average number of ordinary shares (diluted) at 31 March	630,018	1,919,551

16. Share-based payments

Directors' warrants

The Directors' warrants were approved by shareholders at the Company's annual general meeting on 29 July 2007.

The purpose of the share based payments is provide an additional incentive to the directors to increase the net asset value of the Group.

Warrants granted as compensation

Details on warrants issued in the Company that were granted as compensation to each director during the reporting period are as follows:

Directors	Number of non transferable warrants granted 2008	Grant date	Fair value per warrant at grant date ($)	Exercise price per warrant ($)	Expiry date
L J Sanders	125,000	24 August 2007	0.32	3.30	30 June 2012
C D Castle	475,000	24 August 2007	0.32	3.30	30 June 2012
J E Hatchwell	100,000	24 August 2007	0.32	3.30	30 June 2012
K T Hindle	100,000	24 August 2007	0.32	3.30	30 June 2012
M R Franks	100,000	24 August 2007	0.32	3.30	30 June 2012

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

Each warrant entitles the recipient, on exercise, to 100 shares. With the effect of the share consolidation on 7 July 2008, the number of shares into which a warrant may be exercised has been reduced from 100 shares to 2 shares. Accordingly the number of new shares that may be issued through the exercise of these warrants is 1,800,000 (2008: 90,000,000). The Final exercise date is 30 June 2012, and after that the warrants lapse.

The exercisable price of the warrants is presently:

- Until 30 June 2009: 1.093 cents per new share or, in total, $2.186 per warrant.
- From 1 July 2009 until 30 June 2012: 1.643 cents per new share or, in total, $3.286 per warrant.

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

Fair value of share warrants and assumptions

	Directors' warrants 2008
Fair value at grant date	
Share price	$0.015
Exercise price	$0.033
Expected volatility (weighted average volatility)	41.3%
Option life (expected weighted average life)	4.85 years
Expected dividends	$0.00
Risk-free interest rate (based on government bonds)	6.94%

The fair value of share options expensed in the income statement during the year totalled $nil (2008: $288,000).

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

	Weighted average exercise price 2009	Weighted average exercise price 2008	Number of directors warrants 2009	Number of directors warrants 2008
Outstanding at 1 April	3.30	-	900,000	-
Granted during the period	-	3.30	-	900,000
Outstanding at 31 March	3.30	3.30	900,000	900,000
Exercisable at 31 March			900,000	900,000

Director expenses

		Group	
In thousands of dollars	**Note**	**2009**	**2008**
Warrants granted in 2008	8	-	288
Total expense recognised as director costs		**-**	**288**

17. Financial instruments

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

Foreign currency risk

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

In thousands of dollars	**CAD**	**AUD**	**USD**
2009			
Foreign currency risk			
Brokers current accounts	-	-	-
Other investments	2,151	350	206
2008			
Foreign currency risk			
Brokers current accounts	306	1	-
Other investments	13,549	1,231	210

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

Market risk

Equity Price risk

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

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

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

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

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

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

Other investments of the Company relate to:

In thousands of dollars	**2009**	**2008**
Non-current investments		
Equity securities available-for-sale	3,446	16,979
Held-to-maturity	50	-
Current investments		
Equity securities at fair value through profit and loss	146	274

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

Liquidity risk

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

Capital management

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

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

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

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

Sensitivity analysis

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

It is estimated that a general increase of one percentage point in the value of the New Zealand dollar against other foreign currencies would have decreased the Group's equity investments and trading securities by approximately $34,000 for the year ended 31 March 2009 (2008: $134,000).

Classification and fair values

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

In thousands of dollars	Designated at fair value	Loans and receivables	Available for sale	Held-to-maturity	Other Liabilities	Total carrying amount
2009						
Assets						
Other investments	-	-	3,446	50	-	3,496
NZX Bond	-	100	-	-	-	100
Total non-current assets	**-**	**100**	**3,446**	**50**	**-**	**3,596**
Other investments	146	-	-	-	-	146
Trade and other receivables	-	48	-	-	-	48
Current tax assets	-	13	-	-	-	13
Cash and cash equivalents	-	302	-	-	-	302
Total current assets	**146**	**363**	**-**	**-**	**-**	**509**
Total assets	**146**	**463**	**3,446**	**50**	**-**	**4,105**
Liabilities						
Trade and other payables	**-**	**-**	**-**	**-**	**79**	**79**
Total liabilities	**-**	**-**	**-**	**-**	**79**	**79**

Classification and fair values

In thousands of dollars	Designated at fair value	Loans and receivables	Available for sale	Other Liabilities	Total carrying amount
2008					
Assets					
Other investments	-	-	16,979	-	16,979
NZX Bond	-	91	-	-	91
Total non-current assets	**-**	**91**	**16,979**	**-**	**17,070**
Other investments	274	-	-	-	274
Trade and other receivables	-	26	-	-	26
Brokers current accounts	-	306	-	-	306
Cash and cash equivalents	-	87	-	-	87
Total current assets	**274**	**419**	**-**	**-**	**693**
Total assets	**274**	**510**	**16,979**	**-**	**17,763**
Liabilities					
Trade and other payables	-	-	-	50	50
Advance from Widespread Energy Ltd	-	-	-	1	1
Total liabilities	**-**	**-**	**-**	**51**	**51**

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

	Group	
In thousands of dollars	**2009**	**2008**
Profit/(loss) for the year	(6,659)	(751)
Adjustments for:		
Depreciation	1	1
(Gains)/losses on sale of financial assets at fair value through profit & loss	17	(482)
Unrealised losses on fair value of available for sale financial assets	6,008	-
Unrealised losses on financial assets at fair value through profit & loss	172	578
Share of loss of equity accounted investees	193	-
Equity-settled share-based payment transactions	-	288
Deferred tax recognised	27	203
	(241)	**(163)**
Change in trade and other receivables	(22)	17
Change in prepayments	1	(1)
Change in current tax assets	(114)	115
Change in deferred taxation	(34)	(331)
Change in trade and other payables	29	6
Change in other investments current	(61)	1,425
Net cash from operating activities	**(442)**	**1,068**

19. Related parties

Directors of the Company control 13.2 percent of the voting shares of the Company, directly.

Chris Castle is a director of Nevay Holdings Limited and of Widespread Portfolios Limited. He also acts as an investment advisor to Widespread Portfolios Limited. He is a beneficiary of the Sandcastle Trust which has a 8.60% (2008: 8.91%) shareholding in Widespread Portfolios Limited. He also holds a 0.39% (2008: 0.32%) shareholding in Widespread Portfolios Limited.

Chris Castle is contracted on full time basis to Widespread Limited for a fee of $180,000 per year plus GST and through another contract to Nevay Holdings Limited of $120,000 per year plus GST. This arrangement was negotiated by the independent directors and expires on 31 March 2010, with a right of renewal for a further three years.

Jill Hatchwell is a director and the secretary of Nevay Holdings Limited and a director of Widespread Portfolios Limited. She holds a 1.26% (2008: 1.30%) shareholding in Widespread Portfolios Limited.

Linda Sanders is a director of Widespread Portfolios Limited. She is a beneficiary of the Sandcastle Trust which has a 8.60% (2008: 8.91%) shareholding in Widespread Portfolios Limited. She also holds a 0.55% (2008: 0.49%) shareholding in Widespread Portfolios Limited.

Linda Sanders has been contracted on an as required basis to provide media & public relations services in relation to re-organising & rewriting the website. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

Widespread Energy Limited

		Transaction value Year ended 31 March		Balance receivable/(payable) as at 31 March	
In thousands of dollars		**2009**	**2008**	**2009**	**2008**
Directors	**Transactions**				
C Castle, K Hindle, J Hatchwell & L Sanders	Loan advances	1	(104)	-	(1)
C Castle, K Hindle, J Hatchwell & L Sanders	Investment & management services	64	40	6	13

C Castle, K Hindle, J Hatchwell & L Sanders, Directors of Widespread Portfolios Ltd are also commonly Directors in Widespread Energy Limited. During the year ended 31 March 2009, the Group repaid loans of $1,000 to Widespread Energy Limited. The loan was interest free and repayable on demand.

Widespread Energy Limited also contracts Widespread Portfolios Limited for investment and management services on an as required basis.

20. Group entities

Significant subsidiaries

	Country of Incorporation	Ownership interest	
		2009	**2008**
Widespread Limited	New Zealand	100	100
Mineral Investments Limited	New Zealand	100	100

Directors' Report

In the opinion of the directors of Widespread Portfolios Limited, the financial statements and notes, on pages 8 to 31:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company and Group as at 31 March 2009 and the results of their operations and cash flows for the year ended on that date.
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

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

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

The directors are pleased to present the financial statements of Widespread Portfolios Limited for the year ended 31 March 2009.

For and on behalf of the Board of Directors:

C Castle
Director
27 May 2009

L J Sanders

Linda J Sanders
Director
27 May 2009

Audit Report

To the Shareholders of Widespread Portfolios Limited

We have audited the attached financial statements. The financial statements provide information about the past financial performance and financial position of the Company and Group as at 31 March 2009. This information is stated in accordance with the accounting policies described in the notes to the financial statements.

Directors' Responsibilities

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Company and Group as at 31 March 2009 and of the results of their operations and cash flows for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to the shareholders.

Basis of Opinion

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

- the significant estimates and judgements made in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Company and Group's circumstances, consistently applied and adequately disclosed.

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

Our firm carries out other assignments for the Company and Group in the area of taxation. Other than in this capacity and our capacity as auditors, we have no other relationships with, or interests in the Company and Group.

Unqualified Opinion

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

In our opinion

- proper accounting records have been kept by the Company and Group as far as appears from our examination of those records; and
- the attached financial statements:
  - comply with generally accepted accounting practice; and
  - give a true and fair view of the financial position of the Company and Group as at 31 March 2009 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 27 May 2009 and our unqualified opinion is expressed as at that date.

WHK Sherwin Chan & Walshe

WHK Sherwin Chan & Walshe
Chartered Accountants

Shareholder Information

Stock exchange listing

The Company's ordinary shares are listed on the New Zealand Stock Exchange.

1. Distributions of security holders and security holdings as at 20 May 2009

Size of holding	Number of security holders	Number of securities
1- 5,000	494	684,293
5,001 – 10,000	95	717,776
10,001 – 50,000	172	3,859,529
50,001 – 100,000	34	2,566,851
100,001 +	42	13,607,333
Geographic distribution		
New Zealand	795	20,986,012
Australia	13	86,760
Rest of world	29	363,010

Distributions of warrant holders and warrant holdings as at 20 May 2009

Size of holding	Number of warrant holders	Number of warrants
1- 1,000	323	84,556
1,000 -5,000	143	357,802
5,001 – 10,000	50	366,457
10,001 – 50,000	80	1,886,499
50,001 – 100,000	18	1,266,287
100,001 +	19	4,543,522
Geographic distribution		
New Zealand	593	8,327,557
Australia	13	45,323
Rest of world	27	132,243

2. 20 Largest registered holders of quoted equity securities as at 20 May 2009

	Ordinary	%
Sandcastle Trust	1,842,800	8.60
C A Purcell & J A Ward	1,137,606	5.31
Tasman Portfolios Limited	1,050,584	4.90
Leveraged Equities Finance Limited	633,066	2.95
R S Thornton	561,280	2.62
Chester Nominees Limited	558,000	2.60
P W Hall	500,000	2.33
P G Crafar	483,756	2.26
J A Ward	408,114	1.90
M Verbiest	396,673	1.85
C A Purcell	378,318	1.77
P V Robinson	366,853	1.71
D D Kelly	339,560	1.58
J W Guinness	308,052	1.44
G H Common & G P Walker	304,776	1.42
S P Ward & J P Ward & E P Welson	302,834	1.41
P W Brooks	300,970	1.40
J E Hatchwell & P G Vincent & S N Kingsbury	270,268	1.26
A R Jamieson& E L Jamieson & E N Law	255,183	1.19
K T Hindle	212,974	0.99

20 Largest registered holders of quoted warrants as at 20 May 2009

	Ordinary	%
Sandcastle Trust	917,400	10.79
C A Purcell & J A Ward	568,803	6.69
Tasman Portfolios Limited	320,919	3.77
Leveraged Equities Finance Limited	241,881	2.84
P G Crafar	241,079	2.83
K R Frankum	240,098	2.82
P W Hall	200,000	2.35
J A Ward	199,313	2.34
M Verbiest	197,537	2.32
C A Purcell	189,159	2.22
S P Ward & J P Ward & E P Welson	157,418	1.85
J W Guinness	152,426	1.79
G H Common & G P Walker	148,388	1.74
P W Brooks	146,485	1.72
J E Hatchwell & P G Vincent & S N Kingsbury	144,334	1.70
C A N Beyer	131,881	1.55
Verona Nominees Limited	123,133	1.45
D D Kelly	120,781	1.42
K T Hindle	102,487	1.20
P V Robinson	98,545	1.16

3. Substantial Security Holders as at 20 May 2009

The following persons are deemed to be substantial security holders in accordance with section 26 of the Securities Markets Amendment Act 2002.

	Voting securities	
	Number	**%**
Sandcastle Trust	1,842,800	8.60
C A Purcell & J A Ward	1,137,303	5.31

4. Directors' Security Holdings as at 20 May 2009

	Equity securities held	
	2009 Number	**2008 Number**
L J Sanders	116,000	5,000,000
C D Castle	83,200	3,260,000
J E Hatchwell	270,268	13,433,388
K T Hindle	212,974	13,272,700
D D Kelly	339,560	16,578,024

Directors' Warrant Holdings as at 20 May 2009 (transferable & non-transferable)

	Equity securities held	
	2009 Number	**2008 Number**
L J Sanders	175,000	175,000
C D Castle	527,600	517,600
J E Hatchwell	244,334	244,334
K T Hindle	232,737	232,737
D D Kelly	125,281	125,281

Statutory Information

1. Directors and remuneration

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

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

In thousands of dollars	**Fees**	**Share-based payment**	**Consultancy fees**	**Total**
Widespread Limited				
L Sanders	20	-	-	20
C Castle	-	-	343	343
M Franks (a)	5	-	-	5
J Hatchwell	12	-	-	12
K Hindle	12	-	-	12
D Kelly (b)	6	-	-	6

a) M Franks resigned 30 November 2008

b) D Kelly appointed 12 January 2009

2. Entries recorded in the interests register

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

a. Directors' interests in transactions—Company

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

b. Share dealings of directors—Company

On 12 June 2008 Mr C Castle purchased 5,200 warrants of the Company for a consideration of $1,105, in a market transaction.

On 13 June 2008 Mr C Castle purchased 400,000 ordinary shares of the Company for a consideration of $5,000; Ms L Sanders purchased 800,000 ordinary shares of the Company for a consideration of $10,000; Ms J Hatchwell purchased 80,000 ordinary shares of the Company for a consideration of $1,000; and Mr K Hindle purchased 800,000 ordinary shares of the Company for a consideration of $10,000 in the Share Purchase Plan.

On 30 July 2008 Mr C Castle purchased 4,800 warrants of the Company for a consideration of $960, in a market transaction.

On 31 October 2008 Mr C Castle purchased 10,000 ordinary shares of the Company for a consideration of $1,251, in a market transaction.

c. Loans to directors—Company

There were no loans to directors outstanding at 31 March 2009.

d. Directors' indemnity and insurance—Company

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

2009 Notice Of Annual Meeting Of Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of Widespread Portfolios Limited (the Company) will be held at the Wellesley Club, 2-8 Maginnity Street, Wellington on Sunday 26 July 2009 at 5pm.

Items of Business

A. The Chairperson's introduction.

B. Addresses to Shareholders.

C. Shareholder discussion.

D. Resolutions.

Ordinary Resolutions:

To consider, and if thought fit, to pass the following ordinary resolutions:

That WHK Sherwin Chan & Walshe be reappointed as auditors of the Company and that the directors are authorised to fix the auditors' remuneration, including fees and expenses.

That Linda Jane Sanders be re-elected as a director of the Company.

That Keith Thomas Hindle be re-elected as a director of the Company

That Denis Douglas Kelly be re-elected as a director of the Company.

Other Business

To consider any other matter that may properly be brought before the annual meeting.

Proxies

Any Shareholder who is entitled to attend and vote at the Annual Meeting may appoint a proxy to attend and vote instead of him or her. To appoint a proxy you should complete and sign the enclosed Proxy Form and either return it by mail or fax. If you wish to mail the Proxy Form then please fold it and send it to Link Market Services Ltd at P.O. Box 384, Ashburton. Alternatively the Proxy Form can be faxed to Link Market Services Limited on (03) 308 1311. The completed Proxy Form must be received by Link Market Services Limited on behalf of the Company no later than 5pm (New Zealand time) on Friday, 24 July 2009.

Voting entitlements of the meeting will be determined as at 5pm (New Zealand time) on Friday, 24 July 2009. Registered shareholders at that time will be the only persons entitled to vote at the Meeting and only the shares and registered in those persons names at that time may be voted at the Meeting.

After Match Function

The directors invite Shareholders (plus partners) to join them for refreshments before and after the Annual Meeting. To assist with catering arrangements please RSVP by Wednesday 22 July by email to chris@widespread.co.nz.

Explanatory notes

Resolution One: Reappointment of Auditors

WHK Sherwin Chan & Walshe are the existing auditors of the Company. The proposed ordinary resolution is required, under section 196(1) of the Companies Act 1993, to reappoint WHK Sherwin Chan & Walshe as the auditor until the conclusion of the next annual meeting, and under section 197 of the Companies Act 1993 to authorise the directors to fix the fees and expenses of WHK Sherwin Chan & Walshe.

Resolution Two: Re-Election of Linda Jane Sanders

Non-executive director Linda Sanders retires by rotation and, being eligible, offers herself for re-election.

Linda Sanders is a formation director of the Company and has more than 30 years of experience as a communications executive and journalist, working closely with and analysing the senior management of New Zealand's leading companies, including as business editor of the Evening Post, economics and deputy business editor of The Dominion, a communications manager for Telecom New Zealand and as a public relations consultant and managing a government department's communications team. Linda is currently the Chairperson of the Board.

The Board has determined that Linda is not an independent director. The Board unanimously recommends that shareholders vote in favour of Linda's re-election.

Resolution Three: Re-Election of Keith Thomas Hindle

Independent director Keith Hindle retires by rotation and, being eligible, offers himself for re-election.

Keith is a chartered accountant, who retired in 2004 as a partner of KPMG after some 39 years with KPMG and predecessor accounting firms. Keith held a number of senior positions within KPMG at both national and international level, most recently as CEO of KPMG Legal. He has been involved in numerous corporate finance deals including mergers acquisitions and business sales. Positions in KPMG include Audit Partner responsible for a wide range of public, private and government organisations, partner in charge of the business services and the consulting division, member of the executive committee of the national firm, and partner in charge of the Wellington office. He was appointed to the international firm's consulting committee for five years. He is a member of the Hutt Valley District Health Board and is Chair of the Wellington Sinfonia.

The Board has determined that Keith Hindle is an independent director. The Board unanimously recommends that shareholders vote in favour of Keith's re-election.

Resolution Four: Re-Election of Denis Douglas Kelly

Independent non-executive director Denis Kelly was appointed as a director by the Board of the Company on 12 January 2009. In accordance with the Constitution of the Company his appointment is required to be confirmed by shareholders at the next shareholder meeting. Being eligible, he offers himself for re-election.

Denis, a foundation shareholder of the company, has over 30 years involvement in the mining and mineral exploration sector. Previous mining sector roles include exploration manager of Brierley Investments' mining offshoot AMOIL NZ Limited and founder executive director and company secretary of Spectrum Resources Limited. He was the founding secretary of the New Zealand Mineral Exploration Association and in 1985 authored the first NZ Mining Environmental Impact Report.

Denis was also company secretary of Brierley Investments for 5 years and a non-executive director of NZX listed Charter Corporation Limited. More recently he has been executive director of both Surf Life Saving New Zealand and Volleyball New Zealand.

The Board has determined that Denis Kelly is an independent director. The Board unanimously recommends that shareholders vote in favour of Denis's re-election and considers that Denis's extensive background in and knowledge of the mining sector has already materially strengthened the Widespread Portfolios board.

2009 Annual General Meeting Proxy Form

I/We ____
(NAME)

Of ____
(PLACE) (OCCUPATION)

being a shareholder of Widespread Portfolios Limited, hereby appoint ______________________________

or failing him/her appoint ______________________________
(NAME) (NAME)

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 5pm on Sunday 26 July 2009 and at any adjournment thereof.

Unless otherwise directed as below, the proxy will vote as he or she thinks fit, or abstain from voting. Should the shareholder(s) wish to direct the proxy how to vote the following should be completed:

Ordinary Resolutions:	**For**	**Against**
1. That WHK Sherwin Chan & Walshe be reappointed as auditors of the Company and that the directors are authorised to fix the auditors' remuneration, including fees and expenses.		
2. That Linda Jane Sanders be re-elected as a director of the Company.		
3. That Keith Thomas Hindle be re-elected as a director of the Company.		
4 That Denis Douglas Kelly be re-elected as a director of the Company.		

Signed this ______________ day of ______________________ 2009

Signature of shareholder(s) ____

NOTES:

If you wish, you may appoint the Chairperson of the meeting as your proxy.

Your proxy need not be a member of the Company.

This form must be signed by the appointee or his/her/their attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. Joint holders must all sign this form.

This form and the power of attorney or other authority if any, under which it is signed, or a copy of that power of attorney must be sent to the office of the Company's Share Registrar, Link Market Services Limited, 138 Tancred Street, Ashburton (P O Box 384, Ashburton) no later than 5pm on Friday, 24 July 2009.

Directory as at 31 March 2009

Directors	Chris D Castle Jill E Hatchwell Keith T Hindle Denis D Kelly Linda J Sanders (Chairperson)
Registered office	The Sandspit SH 60 Onekaka Golden Bay
Phone	(03) 525 9170
Email	chris@widespread.co.nz
Share registry	Link Market Services 138 Tancred St Ashburton
Auditors	WHK Sherwin, Chan and Walshe 45 Knights Rd Lower Hutt
Legal advisors	Quigg Partners Level 7 28 Brandon St Wellington
Bankers	ANZ Banking Group (New Zealand) Limited 215-229 Lambton Quay Wellington
Company administrator	Nevay Holdings Limited The Sandspit SH 60 Onekaka Golden Bay
Investment advisor	Chris D Castle

WIDESPREAD
PORTFOLIOS LTD