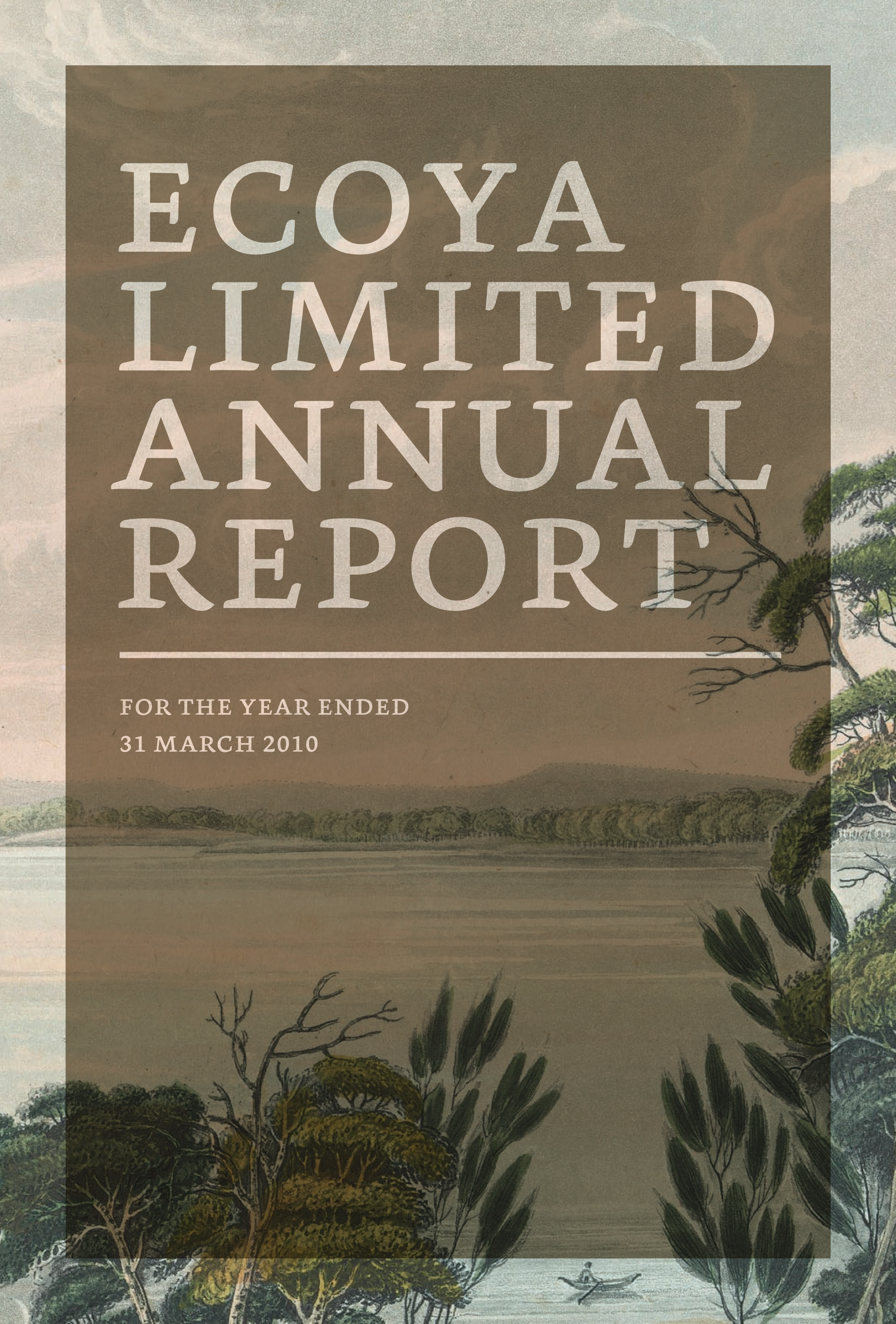
ECOYA LIMITED ANNUAL REPORT

FOR THE YEAR ENDED
31 MARCH 2010



ECOYA:

Natural Wax and Botanical Bodycare

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Chairman and Managing Directors' Report

Dear Ecoya Shareholder,

Welcome to our very first annual report – which we have to say reports on the period before Ecoya's NZSX listing took effect. [Note: although the prospectus was filed shortly before NZSX listing, Ecoya was not listed at any point in the financial year]

The Prospectus for our initial public share and warrant offer, was registered around one week before the end of the 2009/2010 financial year which ended March 31st. The initial public offer closed successfully on 26 April 2010, and NZSX listing occurred on 3 May 2010.

The full year ended up very much as our plan showed. Revenue for the full year was $3.9 million and the net loss was $2.35 million.

Since listing, our brand refresh has taken place and the new packaging for Ecoya has now been released in Australia and will be released in New Zealand during July and August. The response to the new packaging has been very strong both from the stores and retail consumers. We have received a great reaction and sales are responding to the new look Ecoya. Packaging is a major battlefield in this category and we will continue to evolve our shelf presence and make sure we are as attractive as possible to the consumer and their home environment.

Part of this new look for the brand includes new packaging for body wash, hand lotion and soap. The body and bath category is considerably bigger than the home fragrance category and is an exciting market opportunity for Ecoya. It is early days for us in this category, however indications are encouraging. We expect to launch further products for body and bath later this year.

We recently visited several Asian markets, and now have customers in Hong Kong and we will be placing additional resource in Shanghai to grow this market further. We also have sent stock recently to the United States and have made our very first retail sales calls this month. Again, it is very early days, however the reaction has been positive to the brand from store owners. To get this reaction in a very competitive market like Los Angeles is a great signal. We are also following up on the initial wholesale sales we made during May 2010 from contacts at the February New York Gift Fair.

We are currently in discussions with equipment suppliers who are assisting with our expanded production facility, and we expect to move into our new factory in August.

From here on for the 2010/2011 financial year it is all about execution. We now need to build on our first sales in the United States, Shanghai and Hong Kong whilst closer to home in Australia and New Zealand continue to grow store numbers, expand our range and also consumer usage. We are all very focused on the plans we have in place for the year and delivering the high growth we expect.

We will be reporting again for the half year from April to September. We will announce this result prior to the end of November.

Again, thank you for being a part of the Ecoya journey. We look forward to reporting our progress.

Best Regards,

Geoff Ross
Executive Chairman

ECOYA:

Directors' Responsibility Statement

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors have pleasure in presenting the annual report of Ecoya Limited, incorporating the financial statements and the auditors' report, for the year ended 31 March 2010.

The directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Group as at 31 March 2010 and the results of the Group's operations and cash flows for the year ended on that date.

The directors consider the financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

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

The directors consider that they have taken adequate steps to safeguard the assets of the 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 to the integrity and reliability of the financial statements.

The Board of Directors of Group authorised the financial statements for issue on 27 May 2010.

For and on behalf of the Board.

Geoff Ross
Director

C. Schweighoffer.

Craig Schweighoffer
Director

ECOYA:
Directors' Profiles

Geoff Ross
Executive Chairman

Geoff was the founder and CEO of 42 Below Limited which was a listed company for three years prior to its sale to Bacardi in late 2006.

Prior to 42 Below, he was a Managing Partner and Board Member of DDB Advertising for two years and was a Client Service Director and Management Team Member for Saatchi & Saatchi in Wellington for eight years. Geoff is also a Board Member of the Melanoma Foundation and an advisor to Air New Zealand's "Grab a Seat" initiative.

Grant Baker
Executive Director

Grant was the Executive Chairman of 42 Below Limited before its sale to Bacardi in 2006 and has vast experience within numerous New Zealand businesses, both private and public.

He has previously held a number of senior business positions, including Chief Executive and Director of Blue Star Group Limited, Chairman and founding Director of EFTPOS retailer Netco Limited, as well as serving as Executive Chairman of Empower Limited.

Grant also currently is a Director on the board of Dorchester Pacific Limited and Deputy Chairman of the New Zealand cancer charity GICI (Gastro Intestinal Cancer Institute Limited).

Craig Schweighoffer
Managing Director

Craig was head of 42 Below Limited, Australia and has been successful in growing 42 Below Limited in Australia.

Before that, he gained a strong growth business background at Redback Tools Pty Limited, his own start-up patented hand tools business. Craig also spent three years as Managing Director at Pyroteck NZ Limited, a high technology manufacturing business in New Zealand, where he succeeded in more than doubling sales in three years to 2001. Prior to this, Craig was responsible for growing Pyroteck's Asian business and successfully set up sales, manufacturing and warehousing operations in several Asian countries.

Stephen Sinclair
CFO

Stephen was the Chief Financial Officer of 42 Below Limited as well as an Executive Director and Company Secretary.

Stephen is a Chartered Accountant. Before 42 Below Limited, Stephen was the Financial Controller for Empower Limited prior to its sale to Contact Energy. He also held this role with Netco Limited. Prior to this, he spent 13 years with PricewaterhouseCoopers. Stephen also currently is a director on the board of Dorchester Pacific Limited.

Collette Dinnigan
Independent Director

Collette is one of Australia's best known fashion designers. She brings aesthetic and design skills to the board of Ecoya.

Collette completed a degree in fashion design at Wellington Polytechnic before moving to Sydney to take a role in the costume department of the Australian Broadcasting Commission. She stepped out on her own in 1990 and created the Collette Dinnigan label from which she has received a long list of achievements. Her garments are hand-made and sold in a variety of destinations around the globe, including the Middle East, Europe, Asia and the USA. Collette has her own store in London.

She won Australian Designer of the Year in 1996 and the Louis Vuitton's Business Award in 1997. In 1998, she was appointed Chairperson of The New South Wales Small Business Development Corporation, having previously participated as an advisor to the South Australian Wool Board. In 2001 and 2003, Collette was voted one of Australia's 50 Most Beautiful Exports. In Paris, in 2002, she was honoured with the Leading Women Entrepreneurs of the World Award, and in 2004 she was presented with the CLEO and Maybelline Celebrity Designer of the Year Award. Then in 2005, her image was put on a stamp by Australia Post as part of their Australian legends campaign and received further awards from Marie Claire and Instyle the same year.

Collette's clients have included Qantas, Dom Perignon and Marks and Spencer. During 2010, Collette plans to launch her new Collette Dinnigan lingerie range into Marks and Spencer in London.

Rich Frank
Independent Director

Rich is a former Chairman of Walt Disney Television and President of Paramount TV Group.

He is currently a board director of Napastyle, a chain of Californian stores retailing exclusive home goods and specialty foods with a focus on sustainable living. Rich and his family own The Frank Family Vineyards in California's Napa Valley. He is also Vice Chairman of the American Film Institute.

Rich is one of only eight people to win a life time Emmy award. He has overseen some of the world's favourite movies and television shows, including: An Officer and a Gentleman, Dead Poets Society, Good Morning Vietnam, The Lion King, Home Improvement, Cheers and Golden Girls. Rich has strong Hollywood connections and a wide network throughout the USA.

Rich joined the board of 42 Below Limited in May 2006. He is also a director of the Hyperfactory Limited, which is another investee company of The Bakery.

Rob Fyfe
Independent Director
Rob is currently Chief Executive Officer of Air New Zealand Limited.

Rob joined Air New Zealand at the start of 2003 as Chief Information Officer and led the Business Transformation team. Rob then held the position of Group General Manager Airlines from October 2003 until his appointment as Chief Executive Officer in October 2005.

Prior to joining Air New Zealand, Rob held a range of Senior Management positions both within New Zealand and overseas, including roles with the National Australia Bank, Bank of New Zealand, Telecom NZ and ITV Group in the UK.

Deeta Colvin
Independent Director
Deeta Colvin (B.A.) has wide communications and retail skills founded in fashion, perfumes and cosmetics, travel and the media.

She is a former owner of high profile marketing and PR consultancy Colvin Communications which specialised in lifestyle, consumer products and corporate issues and management.

She has been a director of corporate relations for PBL Media and has consulted to some of the world's biggest fashion and cosmetic brands including Louis Vuitton, Dior, Fendi and Versace.

ECOYA:

Corporate Governance

The overall responsibility for ensuring that the company is properly managed to enhance investor confidence through corporate governance and accountability lies with the Board of Directors. On 27 May 2010 the Board of Directors adopted a corporate governance code ("Code"). A copy of the code is available on the Ecoya website **www.ecoya.co.nz.**

The Code is generally consistent with the principles identified in the "Corporate Governance in New Zealand Principles and Guidelines" report, released by the New Zealand Securities Commission in 2004. The Code materially complies with the NZX Corporate Governance Best Practice Code, except that the Audit Committee is not comprised solely of non-executive directors.

The company will continue to monitor best practice in the governance area and update its policies to ensure it maintains the most appropriate standards.

Our principal governance statements are outlined in this report.

The Board of Directors

The Board has ultimate responsibility for the strategic direction of Ecoya and supervising Ecoya's management for the benefit of shareholders.

The specific responsibilities of the Board include:

- Working with management to set the strategic direction of Ecoya.
- Monitoring and working with management to direct the business and financial performance of Ecoya.
- Monitoring compliance and risk management.
- Establishing and monitoring Ecoya's health and safety policies.
- Establishing and overseeing succession plans for senior management.
- Ensuring effective disclosure policies and procedures are adopted.

The Board currently plans to meet not less than eight times during the financial year, including sessions to consider Ecoya's strategic direction and business plans. Video and/or phone conferences will also be used as required.

Ethical Conduct

The Code includes a policy on business ethics which is designed to govern the board's conduct. The Code addresses conflicts of interest, receipt of gifts, confidentiality and fair business practices.

Board Membership

The Board currently consists of four independent directors, and four executive directors, who are elected based on the value they bring to the Board.

Each Ecoya director is a skilled and experienced business person. Together they provide value by making quality contributions to corporate governance matters, conceptual thinking, strategic planning, policies and providing guidance to management.

As at 18 June 2010 the Board consisted of:

Geoff Ross	Executive Chairman
Grant Baker	Executive Director
Craig Schweighoffer	Managing Director
Stephen Sinclair	Chief Financial Officer
Collette Dinnigan	Independent Director
Rich Frank	Independent Director
Rob Fyfe	Independent Director
Deeta Colvin	Independent Director

Profiles of current board members are shown on pages 9 to 11.

The number of elected directors and the procedure for their retirement and re-election at annual meetings of shareholders are set out in the Constitution of the Company.

Director Independence

In order for a director to be independent, the Board has determined that he or she must not be an executive of Ecoya and must have no disqualifying relationship as defined in the corporate governance code and the NZSX Listing Rules.

The Board has determined that Rich Frank, Rob Fyfe, Collette Dinnigan and Deeta Colvin are independent directors.

As at the balance date (31 March 2010), the independent directors were Collette Dinnigan, Rich Frank and Rob Fyfe. Geoff Ross, Grant Baker, Craig Schweighoffer and Stephen Sinclair were not independent directors (and Deeta Colvin was not a director at that date).

No director ceased to hold office in the accounting period ended 31 March 2010.

Nomination and Appointment of Directors

The Board is responsible for identifying and recommending candidates. Directors may also be nominated by shareholders under NZSX Listing Rule 3.3.5.

A director may be appointed by ordinary resolution and all directors are subject to removal by ordinary resolution.

The Board may at any time appoint additional directors. A director appointed by the Board shall only hold office until the next annual meeting of the Company, but shall be eligible for election at that meeting.

One third of directors shall retire from office at the annual meeting each year. The directors to retire shall be those who have been longest in office since they were last elected or deemed to be elected.

Disclosure of Interests by Directors

The Code sets out the procedures to be followed where directors have an interest in a transaction or proposed transaction or are faced with a potential conflict of interest requiring the disclosure of that conflict to the Board. Ecoya maintains an interests register in which particulars of certain transactions and matters involving directors are recorded. The interests register for Ecoya is available for inspection at its registered office.

Directors' Share Dealings

The Company has adopted a securities dealing policy which sets out the procedure to be followed by directors and staff when trading in Ecoya listed securities, to ensure that no trades are effected whilst that person is in possession of material information which is not generally available to the market. Details of directors' share dealings are outlined on page 95.

Indemnification and Insurance of Directors and Officers

The Company has directors' and officers' liability insurance with Chartis which ensures that generally, directors and officers will incur no monetary loss as a result of actions undertaken by them.

Board Committees

The Board has two formally constituted committees of Directors. These Committees, established by the Board, review and analyse policies and strategies, usually developed by management, which are within their terms of reference. The Committees examine proposals and, where appropriate, make recommendations to the Board. Committees do not take action or make decisions on behalf of the Board unless specifically authorised to do so by the Board.

Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for overseeing the risk management (including treasury and financing policies), treasury, insurance, accounting and audit activities of Ecoya, and reviewing the adequacy and effectiveness of internal controls, meeting with and reviewing the performance of external auditors, reviewing the consolidated financial statements, and making recommendations on financial and accounting policies.

The members of the Audit and Risk Management Committee are Stephen Sinclair, Rob Fyfe and Rich Frank.

The Audit and Risk Management Committee met on 27 May 2010.

Remuneration Committee

The Remuneration Committee is responsible for overseeing management succession planning, establishing employee incentive schemes, reviewing and approving the compensation arrangements for the executive Directors and senior management, and recommending to the full Board the remuneration of Directors.

The members of the Remuneration Committee are Geoff Ross, Rob Fyfe and Rich Frank.

Remuneration

Remuneration of directors and executives is the key responsibility of the Remuneration Committee. Details of directors and executives' remuneration and entitlements are detailed on pages 95 to 96.

Directors' Remuneration

The Directors' fees for the Independent Directors of Ecoya have been fixed, initially at a total of A$40,000 per Independent Director. To provide the flexibility, the existing shareholders have approved an aggregate cap on Independent Directors' fees of A$150,000 for the purpose of NZSX Listing Rule 3.5. On the appointment of

Deeta Colvin on 11 May 2010, the aggregate cap on Independent Directors' fees automatically adjusted to A$200,000 in accordance with NZSX Listing Rule 3.5. At the election of each Independent Director, Directors' fees may be paid in part or whole by issue of Shares in accordance with the NZSX Listing Rules. The Executive Directors are not entitled to be paid Directors' fees.

Ecoya has access to the Executive Directors through consultancy agreements with The Business Bakery LP ("The Bakery") and Paunui Holdings Pty Limited ("Paunui"). The Bakery has entered into a consultancy agreement with Ecoya, pursuant to which it has agreed to make Geoff Ross, Stephen Sinclair and Grant Baker available to Ecoya to provide specialist management and executive services. Under the consultancy agreement, Ecoya is contracted to pay a consultancy fee of up to A$400,000 plus GST per annum to The Bakery in respect of services provided.

Paunui has entered into a contract for services pursuant to which it has agreed to make Craig Schweighoffer available to Ecoya to provide services as Managing Director of Ecoya. Under the consultancy agreement, Ecoya is contracted to pay a consultancy fee of A$183,540 plus GST per annum to Paunui in respect of such services.

The Directors are also entitled to be paid for all reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or shareholder meetings, or otherwise in connection with Ecoya's business.

Loans to Independent Directors

As part of an incentive package, Ecoya plans to provide limited recourse loans to the Independent Directors to enable them to subscribe for an aggregate of 900,000 shares (including 225,000 to Deeta Colvin who was appointed after balance date) in the Company at $1 per Share. Loans will not bear interest, and will be repayable after five years or earlier at the discretion of the Independent Director. The loans will be non recourse against the borrowing Independent Directors, but will be secured against the relevant Shares and Warrants held by or on behalf of the Independent Directors and which were acquired with the loan proceeds.

The Independent Directors will be offered loans of NZ$225,000 each to enable them to subscribe for the shares at NZ$1.00 per share set out below. These shares will have warrants attached to them, but at the time of exercise of the warrants, the Independent Directors will need to subscribe, in cash, if they elect to exercise their warrants.

Loans had not been made to directors as at the date of this report.

Managing Risk

The Board has overall responsibility for the company's system of risk management and internal control and has procedures in place to provide effective control within the management and reporting structure.

Financial Statements are prepared monthly and reviewed by the Board progressively during the year to monitor performance against budget goals and objectives. The Board also requires managers to identify and respond to risk exposures.

A structured framework is in place for capital expenditure, including appropriate authorisations and approval levels.

The Board maintains an overall view of the risk profile of the Company and is responsible for monitoring corporate risk assessment processes.

Disclosure

The Company adheres to the NZX continuous disclosure requirements which govern the release of all material information that may affect the value of the Company's listed shares or warrants. The Board and senior management team have processes in place to ensure that all material information flows up to the Chairman with a view to consultation with the Board and disclosure of that information if appropriate.

Auditors

PricewaterhouseCoopers acted as auditors of the Company, and have undertaken the audit of the financial statements for the 31 March 2010 year and provided other services to the Company for which they were remunerated. Particulars of the audit and other fees paid during the year are set out on page 56. In addition, PricewaterhouseCoopers received fees of $70,000 for providing transactional services relating to the Company's initial public offering.

ECOYA:
Auditors' Report

PRICEWATERHOUSECOOPERS

To the shareholders of Ecoya Limited

We have audited the financial statements on pages 23 to 88. The financial statements provide information about the past financial performance and cash flows of the Company and Group for the year ended 31 March 2010 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 30 to 41.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibilities

The Company's Directors are responsible for the preparation and presentation of the financial statements which give a true and fair view of the financial position of the Company and Group as at 31 March 2010 and its financial performance and cash flows for the year ended on that date.

Auditors' Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Directors and reporting our opinion to you.

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:

(a) the significant estimates and judgements made by the Directors in the preparation of the financial statements; and

(b) whether the accounting policies are appropriate to the circumstances of the Company and Group, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give 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.

We have no relationship with or interests in the Company and Group other than in our capacity as auditors and providers of other assurance and tax services.

Qualification

As we were not appointed as auditors of the Company until November 2009, we were not able to observe the counting of physical inventory relating to the inventory at 31 March 2009 and we were unable to satisfy ourselves as to the inventory balance by other audit procedures. Any misstatement of the inventory balance at this date would affect each of the Group results for the comparative period ended 31 March 2009, the Group statement of financial position at 31 March 2009 and the Group results for the year ended 31 March 2010.

Qualified Opinion for the Group

We have obtained all the information and explanations we have required other than as noted in the qualification above. In our opinion:

(a) proper accounting records have been kept by the Company as far as appears from our examination of those records;

(b) the financial statements give a true and fair view of the financial position of the Group as at 31 March 2010 and cash flows for the year ended on that date;

(c) except for any adjustments that might have been found to be necessary had the limitation on the scope of our work discussed in the qualification outlined above not existed, the financial statements on pages 23 to 88:

    (i) comply with generally accepted accounting practice in New Zealand;

    (ii) comply with International Financial Reporting Standards; and

    (iii) give a true and fair view of the financial position of the Group as at 31 March 2010 and its financial performance for the year ended on that date.

Unqualified opinion for the Company

We have obtained all the information and explanations we have required. In our opinion:

(a) proper accounting records have been kept by the Company as far as appears from our examination of those records;

(b) the financial statements on pages 23 to 88:

   (i) comply with generally accepted accounting practice in New Zealand;

   (ii) comply with International Financial Reporting Standards; and

   (iii) give a true and fair view of the financial position of the Company as at 31 March 2010 and its financial performance and cash flows for the year ended on that date.

Our audit was completed on 27 May 2010 and our opinion is expressed as at that date.

PricewaterhouseCoopers

Chartered Accountants
Auckland

ECOYA:

Financial Statements

Statements of Comprehensive Income

For the year ended 31 March 2010

	NOTES	CONSOLIDATED 12 MONTHS ENDED 31 MARCH 2010 $'000	CONSOLIDATED 14 MONTHS ENDED 31 MARCH 2009 $'000	PARENT 12 MONTHS ENDED 31 MARCH 2010 $'000	PARENT 14 MONTHS ENDED 31 MARCH 2009 $'000
REVENUE	5	3,906	2,349	-	-
COST OF SALES		(2,830)	(1,740)	-	-
GROSS PROFIT		**1,076**	**609**	-	-
OTHER INCOME		-	11	-	-
OTHER GAINS (LOSSES) - NET	6	(3)	(34)	(23)	-
EXPENSES	7				
DISTRIBUTION		(306)	(126)	-	-
SALES AND MARKETING		(1,566)	(262)	(1)	-
ADMINISTRATION		(1,602)	(1,156)	(110)	-
OTHER		(66)	(29)	-	-
FINANCE INCOME	8	135	50	134	44
FINANCE COSTS	8	(19)	(3)	(17)	-
(LOSS)/PROFIT BEFORE INCOME TAX		**(2,351)**	**(940)**	**(17)**	**44**
INCOME TAX EXPENSE	9	-	-	-	-
(LOSS)/PROFIT FOR THE PERIOD		**(2,351)**	**(940)**	**(17)**	**44**
OTHER COMPREHENSIVE INCOME					
FOREIGN CURRENCY TRANSLATION, NET OF TAX		(43)	72	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(2,394)**	**(868)**	**(17)**	**44**
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
EQUITY HOLDERS OF ECOYA LIMITED		(1,918)	(645)	(17)	44
MINORITY INTEREST		(433)	(295)	-	-
		(2,351)	**(940)**	**(17)**	**44**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
EQUITY HOLDERS OF ECOYA LIMITED		(1,964)	(574)	(17)	44
MINORITY INTEREST		(430)	(294)	-	-
		(2,394)	**(868)**	**(17)**	**44**

Statements of Comprehensive Income

For the year ended 31 March 2010

(LOSSES) PER SHARE FOR (LOSS) ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY DURING THE PERIOD:	NOTES	DOLLARS	DOLLARS
BASIC (LOSSES) PER SHARE	30	(0.24)	(6,450)
DILUTED (LOSSES) PER SHARE	30	(0.24)	(6,450)
ATTRIBUTABLE TO CONTINUING OPERATIONS:			
BASIC (LOSSES) PER SHARE	30	(0.24)	(6,450)
DILUTED (LOSSES) PER SHARE	30	(0.24)	(6,450)

THE ABOVE STATEMENTS OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Statements of Financial Position

As at 31 March 2010

	NOTES	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	10	310	18	230	-
TRADE AND OTHER RECEIVABLES	11	1,359	356	529	-
RECEIVABLES FROM SUBSIDIARIES	25	-	-	4,183	1,179
INVENTORIES	12	740	452	-	-
TOTAL CURRENT ASSETS		**2,409**	**826**	**4,942**	**1,179**
NON-CURRENT ASSETS					
PLANT AND EQUIPMENT	14	665	468	-	-
INTANGIBLE ASSETS	16	1,140	1,057	-	-
SHARES IN SUBSIDIARIES	13	-	-	3,490	1,232
TOTAL NON-CURRENT ASSETS		**1,805**	**1,525**	**3,490**	**1,232**
TOTAL ASSETS		**4,214**	**2,351**	**8,432**	**2,411**
CURRENT LIABILITIES					
TRADE AND OTHER PAYABLES	17	1,834	480	655	-
INTEREST BEARING LIABILITIES	18	1,030	56	1,000	-
NON-INTEREST BEARING LIABILITIES	19	-	2,563	-	2,367
DERIVATIVE FINANCIAL INSTRUMENTS	20	23	-	23	-
TOTAL CURRENT LIABILITIES		**2,887**	**3,099**	**1,678**	**2,367**
TOTAL LIABILITIES		**2,887**	**3,099**	**1,678**	**2,367**
NET ASSETS /(LIABILITIES)		**1,327**	**(748)**	**6,754**	**44**
EQUITY					
CONTRIBUTED EQUITY	21	6,727	-	6,727	-
RESERVES	22	25	71	-	-
(ACCUMULATED LOSSES)/ RETAINED EARNINGS	22	(5,425)	(645)	27	44
		1,327	**(574)**	**6,754**	**44**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF ECOYA LIMITED		1,327	(574)	6,754	44
MINORITY INTEREST	26	-	(174)	-	-
TOTAL EQUITY		**1,327**	**(748)**	**6,754**	**44**

THE ABOVE STATEMENTS OF FINANCIAL POSITION SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Statements of Movement in Equity

For the year ended 31 March 2010

CONSOLIDATED	NOTES	ATTRIBUTABLE TO EQUITY HOLDERS OF ECOYA LIMITED SHARE CAPITAL $'000	ACCUMULATED LOSSES $'000	RESERVES $'000	MINORITY INTEREST $'000	TOTAL EQUITY $'000
BALANCE AS AT 31 JANUARY 2008		-	-	-	-	-
LOSS FOR THE PERIOD	22(b)	-	(645)	-	(295)	(940)
FOREIGN CURRENCY TRANSLATION	22(a)	-	-	71	1	72
TOTAL COMPREHENSIVE INCOME		-	**(645)**	**71**	**(294)**	**(868)**
MINORITY INTEREST ARISING ON BUSINESS COMBINATIONS	27	-	-	-	120	120
BALANCE AT 31 MARCH 2009		-	**(645)**	**71**	**(174)**	**(748)**
BALANCE AS AT 1 APRIL 2009		-	(645)	71	(174)	(748)
LOSS FOR THE YEAR	22(b)	-	(1,918)	-	(433)	(2,351)
FOREIGN CURRENCY TRANSLATION	22(a)	-	-	(46)	3	(43)
TOTAL COMPREHENSIVE INCOME		-	(1,918)	(46)	(430)	(2,394)
ISSUE OF ORDINARY SHARES	21					
FOR CASH		1,475	-	-	-	1,475
ACQUISITION OF FURTHER INVESTMENT IN SUBSIDIARY		2,258	(2,258)	-	-	-
CAPITALISATION OF RELATED PARTY LOAN		2,999	-	-	-	2,999
SHARE ISSUE COST		(5)	-	-	-	(5)
ACQUISITION OF MINORITY INTEREST	26	-	(604)	-	604	-
BALANCE AS AT 31 MARCH 2010		**6,727**	**(5,425)**	**25**	**-**	**1,327**

THE ABOVE STATEMENTS OF MOVEMENT IN EQUITY SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Statements of Movement in Equity

For the year ended 31 March 2010

PARENT	NOTES	SHARE CAPITAL $'000	RETAINED EARNINGS $'000	RESERVES $'000	TOTAL EQUITY $'000
BALANCE AS AT 31 JANUARY 2008		-	-	-	-
PROFIT FOR THE PERIOD, BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	22(b)	-	44	-	44
BALANCE AS AT 31 MARCH 2009		-	44	-	44
BALANCE AS AT 1 APRIL 2009		-	44	-	44
LOSS FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	22(b)	-	(17)	-	(17)
ISSUE OF ORDINARY SHARES	21				
FOR CASH		1,475	-	-	1,475
ACQUISITION OF FURTHER INVESTMENT IN SUBSIDIARY		2,258	-	-	2,258
CAPITALISATION OF RELATED PARTY LOAN		2,999	-	-	2,999
SHARE ISSUE COST		(5)	-	-	(5)
BALANCE AS AT 31 MARCH 2010		6,727	27	-	6,754

THE ABOVE STATEMENTS OF MOVEMENT IN EQUITY SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Statements of Cash Flows

For the year ended 31 March 2010

	NOTES	CONSOLIDATED 12 MONTHS ENDED 31 MARCH 2010 $'000	CONSOLIDATED 14 MONTHS ENDED 31 MARCH 2009 $'000	PARENT 12 MONTHS ENDED 31 MARCH 2010 $'000	PARENT 14 MONTHS ENDED 31 MARCH 2009 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS FROM CUSTOMERS (INCLUSIVE OF GOODS AND SERVICES TAX)		3,558	2,252	-	-
PAYMENTS TO SUPPLIERS AND EMPLOYEES (INCLUSIVE OF GOODS AND SERVICES TAX)		(5,939)	(3,200)	(151)	-
INTEREST RECEIVED		1	6	1	-
INTEREST PAID		(17)	(3)	(15)	-
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	29	**(2,397)**	**(945)**	**(165)**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES					
ACQUISITION OF SUBSIDIARY, NET OF CASH ACQUIRED	27	-	(720)	-	-
PURCHASE OF SHARES IN SUBSIDIARY		-	-	-	(1,232)
PAYMENTS FOR PLANT AND EQUIPMENT		(314)	(430)	-	-
PROCEEDS FROM SALE OF PLANT AND EQUIPMENT		20	-	-	-
PAYMENTS FOR INTANGIBLE ASSETS		(45)	(30)	-	-
LOAN ADVANCED TO SUBSIDIARY PRIOR TO ACQUISITION		-	(310)	-	(310)
LOAN ADVANCED TO SUBSIDIARY POST ACQUISITION		-	-	(2,708)	(825)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		**(339)**	**(1,490)**	**(2,708)**	**(2,367)**
CASH FLOWS FROM FINANCING ACTIVITIES					
LOAN RECEIVED FROM PARENT	25(d)	2,706	2,367	2,706	2,367
REPAYMENT OF LOAN FROM PARENT	25(d)	(2,073)	-	(2,073)	-
REPAYMENTS ON FINANCE LEASE		(14)	(12)	-	-
PROCEEDS FROM BORROWINGS	18	1,000	-	1,000	-
LOAN RECEIVED FROM RELATED PARTY		117	64	-	-
REPAYMENT OF LOAN FROM RELATED PARTY		(178)	-	-	-
NET PROCEEDS FROM ISSUE OF SHARES	21	1,470	-	1,470	-
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES		**3,028**	**2,419**	**3,103**	**2,367**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		292	(16)	230	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		18	-	-	-
EXCHANGE GAINS ON CASH AND CASH EQUIVALENTS		-	34	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10	**310**	**18**	**230**	**-**

THE ABOVE STATEMENTS OF CASH FLOWS SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Notes to the Financial Statements

1. General information

Ecoya Limited ('the Company') and its subsidiaries (together 'the Group') is a manufacturer and wholesaler of products in the home fragrance and body and bath categories. Its major markets are New Zealand and Australia. The Group has manufacturing operations in Australia and the head office is based in New Zealand. During the year the Parent acquired a further 30% of Ecoya Pty Limited taking its holding to 100%.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Level 2, 142 Broadway, Newmarket, Auckland. The name of the Company was changed from Kanara Holdings Limited to Ecoya Limited on 23 December 2009.

Ecoya Limited was incorporated on 31 January 2008. Accordingly, the comparative financial statements cover the 14 month period from 31 January 2008 to 31 March 2009 and include the results of Ecoya Pty Limited for the 13 month period from the acquisition date to 31 March 2009.

These financial statements have been approved for issue by the Board of Directors on 27 May 2010.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied through the period presented, unless otherwise stated.

(a) Basis of preparation

The Directors have prepared the financial statements on the basis that the Company and the Group is a going concern.

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 New Zealand Financial Reporting Standards, as appropriate for profit-oriented entities.

The separate and consolidated financial statements of Ecoya Limited also comply with International Financial Reporting Standards (IFRS).

The preparation of financial statements in accordance with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

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

NZ IAS 1 (Revised) 'Presentation of Financial Statements' (effective from 1 January 2009)

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement or two linked statements. The Group has elected to present one statement.

NZ IFRS 7 Financial Instruments: Disclosures (effective from 1 January 2009)

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurement related to all financial instruments recognised and measured at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in note 3. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in note 3.

NZ IFRS 8 (amended) Operating Segments (effective from 1 January 2010)

The Group has early adopted the amendment to NZ IFRS 8 that is part of the Accounting Standards Review Board's annual improvement project. The amendment provides clarification that an entity is required to disclose a measure of segment assets only if that measure is regularly reported to the chief operating decision-maker. The comparatives for 2009 have been restated.

Entities reporting
The financial statements for the 'Parent' are for Ecoya Limited as a separate legal entity.

The consolidated financial statements for the 'Group' are for the economic entity comprising Ecoya Limited and its subsidiaries.

Statutory base
Ecoya Limited is a limited liability company which is domiciled and incorporated in New Zealand. It is registered under the Companies Act 1993.

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments (including derivative financial instruments) at fair value through profit or loss.

(b) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Ecoya Limited ('Company' or 'parent entity') as at 31 March 2010 and the results of all subsidiaries for the period then ended. Ecoya Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and balance sheet respectively.

(c) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, 'the functional currency'. The consolidated and parent financial statements are presented in New Zealand dollars, which is Ecoya Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains/(losses) - net'.

(iii) Group companies
The results and financial position of all the Group entities (none of which has the

currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet item presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

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

(d) Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of value-added tax (including Goods and Services Tax), rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(i) Sales of goods - wholesale
Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(ii) Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

(e) Income tax

The income tax expense or revenue for the period is the total of the current period's taxable income based on the national income tax rate for each jurisdiction plus/minus any prior years' under/over provisions, plus/minus movements in the deferred tax balance except where the movement in deferred tax is attributable to a movement in reserves.

Movements in deferred tax are attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements and any unused tax losses or credits. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or loss or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The income tax expense or revenue attributable to amounts recognised directly in equity are also recognised directly in equity. The associated current or deferred tax balances are recognised in these accounts as usual.

Current and deferred tax assets and liabilities of individual entities are reported separately in the consolidated financial statements unless the entities have a legally enforceable right to make or receive a single net payment of tax and the entities intend to make or receive such a net payment or to recover the current tax asset or settle the current tax liability simultaneously. As the Income Tax Act 2007 does not allow transfers of income tax paid between less than wholly owned group members, the current and deferred tax assets and liabilities of these entities have not been offset against other members of the financial reporting group.

(f) Goods and Services Tax (GST)

The statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(g) Leases

(i) *The Group is the lessee*

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(h) Financial instruments

Financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, derivative financial instruments, borrowings and investment in shares.

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within interest bearing liabilities in current liabilities on the balance sheet.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from invoice date.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the statement of comprehensive income.

(k) Financial assets

The Group classifies its financial assets in the following category: loans and receivables and financial assets at fair value through profit and loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which

are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

(ii) *Financial assets at fair value through profit or loss*
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. For accounting purposes, derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, and discounted cash flow analysis.

(l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value of cash and cash equivalents, receivables, payables and accruals and the current portion of borrowings are assumed to approximate their fair values due to the short-term maturity of these investments. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

(m) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks. The Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are re-measured at their fair value at subsequent reporting dates. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Up to and including 31 March 2010, the Group has not designated the forward foreign exchange contracts used as hedging instruments, therefore the derivatives do not qualify for hedge accounting.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

(n) Inventories

(i) *Raw materials and stores, work in progress and finished goods*
Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(o) Investments in subsidiaries

Investments in subsidiaries in the Parent financial statements are stated at cost less impairment.

(p) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the diminishing value method to expense the cost of the assets over their useful lives.
The rates are as follows:

- Plant and equipment 5-20%
- Furniture and office equipment 15-67%
- Display equipment 33%
- Motor vehicles 19%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(q)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(q) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment in each country of operation by each primary reporting segment (note 5).

(ii) Trademarks

Trademarks have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

(iii) Software

Software costs have a finite useful life. Software costs are capitalised and written off over the useful economic life of 3 to 4 years.

(r) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified.
An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(s) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 and 60 days of recognition.

(t) Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently measured at amortised cost.
Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using

the effective interest method. Arrangement fees are amortised over the term of the loan facility. Other borrowing costs are expensed as incurred.

Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(u) Employee benefits

(i) *Wages and salaries, annual leave and sick leave*
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) *Retirement benefit obligations*
Contributions to defined contribution superannuation schemes are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(v) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are included in the cost of the acquisition as part of the purchase consideration.

(w) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been readily estimated.

(x) Standards, amendments and interpretations to existing standards that are not yet effective

New accounting standards and IFRIC interpretations
Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2010 or later periods.

(i) Standard and Interpretations early adopted by the Group

NZ IFRS 8 (amended) Operating Segments
(effective from 1 January 2010)

The Group has early adopted the amendment to NZ IFRS 8 (see Note 2a).

(ii) Standards, amendments and interpretations to existing standards that are relevant to the Group, not yet effective and have not been early adopted by the Group

NZ IFRS 3 (revised): Business combinations
(effective from 1 July 2009)

The revised standard includes a number of updates including the requirement that all costs relating to a business combination must be expensed and subsequent re-measurement of the business combination must be put through the profit and loss. The Group will apply NZ IFRS 3 (revised) prospectively to all business combinations from 1 April 2010.

NZ IAS 27 (revised): Consolidated and separate financial statements
(effective from 1 July 2009)

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply NZ IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 April 2010.

NZ IAS 38 (amendment): Intangible Assets
(effective from 1 July 2009)

The amendment is part of the Accounting Standards Review Board's ('ASRB') annual improvements project and will be applied by the Group and Company from the date NZ IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

NZ IFRS 5 (amendment): Measurement of non-current assets (or disposal groups) classified as held for sale
(effective from 1 January 2010)

The amendment is part of the ASRB's annual improvements project. The amendment provides clarification that NZ IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations and will be applied by the Group and Company from 1 April 2010.

NZ IAS 1(amendment): Presentation of financial statements
(effective from 1 January 2010)

The amendment is part of the ASRB's annual improvements project. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. NZ IAS 1 (amended) will be applied by the Group and Company from 1 April 2010.

NZ IFRS 2 (amendments): Group cash-settled and share-based payment transactions
(effective from 1 January 2010)

In addition to incorporating NZ IFRIC 8: Scope of NZ IFRS 2 and NZ IFRIC 11: IFRS 2 - Group and treasury share transactions, the amendments expand on the guidance in NZ IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.

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

NZ IFRS 9 on classification and measurement of financial assets has two measurement categories: amortised cost and fair value. All equity investments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss.

NZ IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments
(effective from 1 July 2010)

This interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. It does not address the accounting by the creditor.

NZ IAS 24 Related Party Disclosures (Revised 2009) (effective from 1 January 2011)

The amendment simplifies the definition of a related parted and provides a partial exemption from the disclosure requirements for government-related entities.

The directors anticipate that the adoption of these standards, amendments and interpretations will have no material impact on the Group's and Company's financial statements, other than disclosures.

(y) Segmental reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the parent (the "Board").

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks and aging analysis for credit risk.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control risk exposures within acceptable parameters while optimising the return on risk.

(i) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities, being NZ dollars (NZD) and Australian dollars (AUD). The currency risk arises primarily with respect to purchases of materials in US dollars (USD) and NZ dollars by the Australian subsidiary. The parent entity is exposed to currency risk on the related party receivable due from the Australian subsidiary, denominated in Australian dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group has a policy to hedge 80% to 100% of its estimated foreign currency exposure in respect of forecast raw material purchases paid for in US dollars using six monthly rolling forward foreign exchange contracts.

The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk.

The table opposite summarises the Group's exposure at the reporting date to foreign currency risk on the net monetary assets/(liabilities) of each Group entity against its respective functional currency, expressed in NZ dollars.

Foreign currency risk on net monetary assets/(liabilities)

	31 MARCH 2010			31 MARCH 2009		
	NZ $'000	USD $'000	AUD $'000	NZ $'000	USD $'000	AUD $'000
ECOYA LIMITED	-	(14)	4,019	-	-	1,179
ECOYA PTY LIMITED	(80)	(122)	-	(21)	(36)	-
ECOYA GROUP	(80)	(136)	4,019	(21)	(36)	1,179

The following significant exchange rates applied during the year:

Exchange rates applied

	AVERAGE RATE 2010	AVERAGE RATE 2009	CLOSING RATE 2010	CLOSING RATE 2009
NZD/AUD	0.7975	0.8219	0.7724	0.8253
NZD/USD	0.6861	0.6522	0.7097	0.5617

Sensitivity analysis

A 10% weakening of the NZ dollar against the following currencies at 31 March 2010 would have increased/(decreased) equity and the net result for the period by the amounts shown below. Based on historical movements a 10% increase or decrease in the NZ dollar is considered to be a reasonable estimate. This analysis assumes that all other variables remain constant.

Australian dollar

The Group's net result and equity for the period would have been $447,000 higher (2009:$120,000 higher). The Parent's net result and equity for the period would have been $447,000 higher (2009: $118,000 higher).

US dollar

The Group's net result and equity would have been $15,000 lower (2009: $4,000 lower). The Parent's net result and equity for the period would have been $2,000 lower (2009: unaffected).

The Group's exposure to other foreign exchange movements is not material.

A 10% strengthening of the NZ dollar against the currencies above at 31 March 2010 would have an equal and opposite effect on the above currencies to the amounts set out above on the basis that all other variables remain constant.

(ii) Interest rate risk

The Group's fair value interest rate risk at 31 March 2010 arises from finance lease liabilities at fixed rates and bank borrowings where the interest rate is set using the committed cash advance facility rate (CCAF rate) plus a margin of 2% per annum. Other borrowings, from related parties, are non-interest bearing. A detailed summary of the Group's interest rate risk is given in note 18.

Sensitivity analysis

A movement in interest rates at 31 March 2010 would have no effect on the Group's net result and equity as the finance lease liabilities are at fixed rates and the bank borrowings were repaid on 30 April 2010.

(iii) Price risk

The Group does not enter into commodity contracts other than to meet the Group's expected usage and sale requirements; such contracts are not settled net.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as from the Group's receivables due from customers. Only major banks are accepted for cash and deposit balances.

The Group has a large number of customers with no individual customer accounting for more than 10% of the Group's revenue. Credit risk is concentrated predominantly within Australia and the market for consumer products. The Group has established credit policies under which each new customer is analysed for creditworthiness before payment and delivery terms and conditions are agreed.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in note 11.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The tables on the next page analyse the Group's and the parent entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments in respect of financial liabilities. Balances due within 12 months equal their carrying value as the impact of discounting is not significant.

Maturities of financial liabilities

Consolidated At 31 March 2010	Notes	Less than 3 months $'000	3 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amounts liabilities $'000
Non-derivative financial liabilities								
Trade and other payables	17	1,834	-	-	-	-	1,834	1,834
Interest bearing liabilities	18	1,035	-	-	-	-	1,035	1,030
Related party loans non-interest bearing	19	-	-	-	-	-	-	-
Total		2,869	-	-	-	-	2,869	2,864
Consolidated *At 31 March 2009*								
Non-derivative financial liabilities								
Trade and other payables	17	480	-	-	-	-	480	480
Interest bearing liabilities	18	15	12	32	-	-	59	56
Related party loans non-interest bearing	19	2,563	-	-	-	-	2,563	2,563
Total		3,058	12	32	-	-	3,102	3,099
Parent *At 31 March 2010*								
Non-derivative financial liabilities								
Trade and other payables	17	655	-	-	-	-	655	655
Interest bearing liabilities	18	1,005	-	-	-	-	1,005	1,000
Related party loans non-interest bearing	19	-	-	-	-	-	-	-
Total		1,660	-	-	-	-	1,660	1,655
Parent *At 31 March 2009*								
Non-derivative financial liabilities								
Trade and other payables	17	-	-	-	-	-	-	-
Interest bearing liabilities	18	-	-	-	-	-	-	-
Related party loans non-interest bearing	19	2,367	-	-	-	-	2,367	2,367
Total		2,367	-	-	-	-	2,367	2,367

The below table analyses the Group's and the parent entity's derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undisclosed cash flows. They are expected to occur and affect profit or loss at various dates between balance sheet date and the following 12 months.

There were no derivative financial instruments at 31 March 2009.

Maturities of derivative financial instruments

CONSOLIDATED AND PARENT AT 31 MARCH 2010	LESS THAN 3 MONTHS $'000
FORWARD FOREIGN EXCHANGE CONTRACTS – CASH FLOW HEDGES	
INFLOW	705
OUTFLOW	(727)

(d) Financial instrument by category

Financial instruments by category

Assets as per balance sheet	Notes	Consolidated loans and receivables at 31 March 2010 $'000	Consolidated loans and receivables at 31 March 2009 $'000	Parent loans and receivables at 31 March 2010 $'000	Parent loans and receivables at 31 March 2009 $'000
Trade and other receivables	11	647	287	-	-
Receivables from subsidiaries	25	-	-	4,183	1,179
Cash and cash equivalents	10	310	18	230	-
		957	**305**	**4,413**	**1,179**

Prepayments and GST receivable do not meet the definition of a financial asset and have been excluded from the tables above.

Financial instruments by category

Liabilities as per balance sheet	Notes	Consolidated measured at amortised cost at 31 March 2009 $'000	Consolidated measured at fair value through the profit and loss at 31 March 2009 $'000	Parent measured at amortised cost at 31 March 2009 $'000	Parent measured at fair value through the profit and loss at 31 March 2009 $'000
Interest bearing liabilities	18	56	-	-	-
Non interest bearing liabilities	19	2,563	-	2,367	-
Derivative financial instruments	20	-	-	-	-
Trade and other payables	17	329	-	-	-
		2,948	**-**	**2,367**	-

	Notes	Consolidated measured at amortised cost at 31 March 2010 $'000	Consolidated measured at fair value through the profit and loss at 31 March 2010 $'000	Parent measured at amortised cost at 31 March 2010 $'000	Parent measured at fair value through the profit and loss at 31 March 2010 $'000
Interest bearing liabilities	18	1,030	-	1,000	-
Non interest bearing liabilities	19	-	-	-	-
Derivative financial instruments	20	-	23	-	23
Trade and other payables	17	1,369	-	655	-
		2,399	**23**	**1,655**	**23**

Employee entitlements and the deferred lease incentive do not meet the definition of a financial liability and have been excluded from the table above.

Fair value estimation

	NOTES	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
DERIVATIVE FINANCIAL INSTRUMENTS	20	-	23	-	**23**
		-	**23**	**-**	**23**

(e) Fair value estimation

The above table represents the Group's and Parent's liabilities that are measured at fair value at 31 March 2010.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. These instruments are included in level 1. The Group did not have any level 1 financial instruments at 31 March 2010.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group's forward foreign exchange contracts are level 2 financial instruments at 31 March 2010.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Group does not currently have any level 3 financial instruments.

Specific valuation techniques used to fair value instruments include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

(f) Capital adequacy

The Board's aim is to maintain a strong capital base to sustain future development of the business and to maintain investor and creditor confidence. As a result of the Ecoya IPO offer, the Group raised $10.1 million through the issue of 10.1 million shares at $1.00 each on 30 April 2010 (see note 32).

The Group was not subject to any externally imposed capital requirements during the period to 31 March 2010.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the judgements applied are discussed below.

(i) *Estimated impairment of goodwill*
The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2q(i). The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions.

Refer to note 16 for details of these assumptions and the potential impact of changes to the assumptions.

(ii) *Income taxes*
Judgement is exercised in determining the timing and extent of recognition of the benefit of tax losses. The benefit of tax losses can be recognised as an asset if its recovery is 'probable' (more likely than not). In the absence of any track record of profitability, convincing evidence is needed of how the losses will be recovered in the future, before any deferred tax asset as recognised.

The Group has not recognised any benefit at 31 March 2010 in respect of the tax losses generated by Ecoya Pty Limited to date, given the history of losses and the expectation that it will be at more than two years before taxable profits are available against which these tax losses will be utilised.

5. Segment information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from a geographical market perspective. From a product perspective, the Group's products are within one reportable segment, encompassing home fragrance, body and bath products.

The head office function is based in New Zealand and does not constitute an operating segment.

The Board assesses the performance of the operating segments based on a measure of EBITDA. This measurement basis excludes the effects of non-recurring expenditure from operating segments. Interest income and costs are not allocated to segments as this type of activity is driven by the Group's head office function which manages the cash position of the Group.

The segment information provided to the Board is shown in the table on the next page.

Segment information

	Australia 12 months ended 31 March 2010 $'000	New Zealand 12 months ended 31 March 2010 $'000	Un-allocated 12 months ended 31 March 2010 $'000	Total 12 months ended 31 March 2010 $'000's
Segment revenue	3,651	231	24	3,906
Revenue from external customers	3,651	231	24	3,906
EBITDA	(2,118)	(80)	(134)	(2,332)
Depreciation and amortisation	(135)	-	-	(135)
Income tax expense	-	-	-	-
Capital expenditure	358	-	-	358

	Australia 14 months ended 31 March 2009 $'000	New Zealand 14 months ended 31 March 2009 $'000	Un-allocated 14 months ended 31 March 2009 $'000	Total 14 months ended 31 March 2009 $'000's
Segment revenue	2,349	-	-	2,349
Revenue from external customers	2,349	-	-	2,349
EBITDA	(910)	-	-	(910)
Depreciation and amortisation	(77)	-	-	(77)
Income tax expense	-	-	-	-
Capital expenditure	460	-	-	460

Reconciliation of EBITDA to the Group's loss before tax

	12 months ended 31 March 2010 $'000	14 months ended 31 March 2009 $'000
EBITDA for reportable segments	(2,198)	(910)
Head office costs	(111)	-
Losses on derivative financial instruments	(23)	-
Depreciation and amortisation	(135)	(77)
Finance income, net	116	47
Loss before tax	(2,351)	(940)

A reconciliation of EBITDA to the group's loss before tax for the period is provided as shown above.

All of the Group's non-current assets are located in Australia.

Revenues from external customers are derived from sale of goods in the home fragrance, body and bath categories.

Segment assets and liabilities are not included within the reporting to the Board and hence have not been included within the disclosures.

6. Other gains (losses) net

Other gains (losses) net

	Consolidated 12 months ended 31 March 2010 $'000	Consolidated 14 months ended 31 March 2009 $'000	Parent 12 months ended 31 March 2010 $'000	Parent 14 months ended 31 March 2009 $'000
Gains/(losses) on derivative financial instruments	(23)	-	(23)	-
Foreign exchange gains/(losses) – net	20	(34)	-	-
	(3)	(34)	(23)	-

7. Expenses

Expenses

Loss/(profit) before income tax includes the following expenses:	Consolidated 12 months ended 31 March 2010 $'000	Consolidated 14 months ended 31 March 2009 $'000	Parent 12 months ended 31 March 2010 $'000	Parent 14 months ended 31 March 2009 $'000
Depreciation				
Plant and equipment	68	48	-	-
Furniture and office equipment	37	15	-	-
Display equipment	8	-	-	-
Motor vehicles	8	10	-	-
Total depreciation	121	73	-	-
Amortisation				
Trademarks	4	4	-	-
Computer software	10	-	-	-
Total amortisation	14	4	-	-
Total depreciation and amortisation	135	77	-	-
Rental expense relating to operating leases				
Minimum lease payments	134	90	-	-
Total rental expense relating to operating leases	134	90	-	-
Sundry expenses				
Donations	14	-	-	-
Employee benefit expense				
Salaries and wages	1,751	929	-	-
Pension costs – defined contribution superannuation scheme	139	61	-	-
Total employee benefit expense	1,890	990	-	-

The employee benefit expense disclosed above does not include the consultancy fees payable to key management (refer note 25).

Expenses: Auditors' fees

During the year the following fees were paid or payable for services provided by the auditor of the parent entity:

	CONSOLIDATED 12 MONTHS ENDED 31 MARCH 2010 $'000	CONSOLIDATED 14 MONTHS ENDED 31 MARCH 2009 $'000	PARENT 12 MONTHS ENDED 31 MARCH 2010 $'000	PARENT 14 MONTHS ENDED 31 MARCH 2009 $'000
ASSURANCE SERVICES				
AUDIT AND REVIEW OF FINANCIAL REPORTS AND OTHER AUDIT WORK	74	42	74	-
ASSISTANCE WITH FINANCIAL STATEMENT DISCLOSURES	-	12	-	-
TAXATION SERVICES	8	-	8	-
TOTAL REMUNERATION FOR AUDIT AND OTHER SERVICES	**82**	**54**	**82**	**-**

In addition to the auditors' fees set out above, fees payable to the Company's auditors for due diligence advisory services in relation to the listing of the company on the New Zealand Stock Market on 4 May 2010 amounted to $70,000 are included with the prepaid listing costs in note 11.

8. Finance income and expenses

Finance income and expenses

	CONSOLIDATED 12 MONTHS ENDED 31 MARCH 2010 $'000	CONSOLIDATED 14 MONTHS ENDED 31 MARCH 2009 $'000	PARENT 12 MONTHS ENDED 31 MARCH 2010 $'000	PARENT 14 MONTHS ENDED 31 MARCH 2009 $'000
FINANCE COSTS				
CREDIT CARDS	2	1	-	-
FINANCE LEASE LIABILITIES	-	2	-	-
BORROWINGS	17	-	17	-
TOTAL FINANCE COSTS	19	3	17	-
FINANCE INCOME				
INTEREST RECEIVED ON BANK BALANCES	(2)	(6)	(1)	-
FOREIGN EXCHANGE GAINS ON RELATED PARTY LOAN	(133)	(44)	(133)	(44)
TOTAL FINANCE INCOME	(135)	(50)	(134)	(44)
NET FINANCE INCOME	**(116)**	**(47)**	**(117)**	**(44)**

9. Income tax expense

Income tax expense

(A) INCOME TAX EXPENSE	CONSOLIDATED 12 MONTHS ENDED 31 MARCH 2010 $'000	CONSOLIDATED 14 MONTHS ENDED 31 MARCH 2009 $'000	PARENT 12 MONTHS ENDED 31 MARCH 2010 $'000	PARENT 14 MONTHS ENDED 31 MARCH 2009 $'000
CURRENT TAX	-	-	-	-
DEFERRED TAX (NOTE 15)	-	-	-	-
INCOME TAX EXPENSE	-	-	-	-
(B) NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE				
(LOSS)/PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE	(2,351)	(940)	(17)	44
TAX CREDIT / (EXPENSE) CALCULATED AT APPLICABLE DOMESTIC TAX RATES	705	282	5	(13)
TAX EFFECT OF AMOUNTS WHICH ARE NOT DEDUCTIBLE (TAXABLE) IN CALCULATING TAXABLE INCOME:				
NON-TAXABLE INCOME	40	-	40	13
NON-DEDUCTIBLE EXPENSES	(12)	(5)	-	-
TEMPORARY DIFFERENCES NOT RECOGNISED	(35)	-	-	-
TAX LOSSES NOT RECOGNISED (NOTE 15)	(698)	(277)	(45)	-
INCOME TAX EXPENSE	-	-	-	-
THE WEIGHTED AVERAGE APPLICABLE TAX RATE WAS 30%				
(C) IMPUTATION CREDITS AVAILABLE DIRECTLY AND INDIRECTLY TO SHARE HOLDERS OF THE PARENT COMPANY, THROUGH:				
PARENT COMPANY	-	-	-	-
SUBSIDIARIES	-	-	-	-
	-	-	-	-

10. Cash and Cash Equivalents

Cash and cash equivalents

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
CASH AT BANK AND IN HAND	310	18	230	-
	310	**18**	**230**	**-**

11. Trade and Other Receivables

Trade and other receivables

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Trade receivables	681	307	-	-
Provision for doubtful receivables	(34)	(20)	-	-
	647	287	-	-
Prepayments:				
Rent deposit	35	33	-	-
Prepaid listing expenses	500	-	500	-
Other	174	-	-	-
GST receivable	3	36	29	-
	1,359	**356**	**529**	**-**

The rent deposit relates to the bank guarantee required under the terms of the premises' lease agreement. The deposit will be held for the period of the lease agreement, see note 24. As at 31 March 2010, trade receivables of $216,000 (2009: $135,000) were fully performing.

(a) Impaired receivables

As at 31 March 2010 current trade receivables of the group with a nominal value of $34,000 (2009: $20,000) were impaired and provided for. The amount of the provision was $34,000 (2009: $20,000). The individually impaired receivables mainly relate to customers who are in financial difficulty or dispute. There were no impaired trade receivables for the parent in 2010 (2009: $nil). The ageing of these receivables is as follows:

Impaired receivables

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
31 – 60 days overdue	3	5	-	-
90+ days overdue	31	15	-	-
	34	**20**	**-**	**-**

Past due but not impaired receivables

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
0 – 30 DAYS OVERDUE	98	71	-	-
31 – 60 DAYS OVERDUE	211	36	-	-
61 – 90 DAYS OVERDUE	33	-	-	-
90+ DAYS OVERDUE	89	45	-	-
	431	**152**	**-**	**-**

(b) Past due but not impaired receivables

As at 31 March 2010, trade receivables of $431,000 (2009: $152,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as above.

(c) Provision for impairment of receivables

Movements in the provision for impairment of receivables are as follows on next page:

Provision for impairment of receivables

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
OPENING BALANCE	20	-	-	-
ON ACQUISITION OF SUBSIDIARY	-	13	-	-
EXCHANGE DIFFERENCES	1	-	-	-
PROVISION FOR IMPAIRMENT RECOGNISED DURING THE YEAR	22	7	-	-
RECEIVABLES WRITTEN OFF DURING THE YEAR AS UNCOLLECTABLE	(9)	-	-	-
AS AT 31 MARCH	**34**	**20**	**-**	**-**

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(d) Foreign exchange and interest rate risk

Refer to note 3(a)(i) for an analysis of Group's exposure to foreign currency risk in relation to trade and other receivables.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above.
The Group does not hold any collateral as security. Refer to note 3 for more information on the risk management policy of the Group.

12. Inventories

Inventories

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
RAW MATERIALS AT LOWER OF NET REALISABLE VALUE AND COST	420	333	-	-
WORK IN PROGRESS AT LOWER OF NET REALISABLE VALUE AND COST	-	17	-	-
FINISHED GOODS AT LOWER OF NET REALISABLE VALUE AND COST	320	102	-	-
	740	**452**	**-**	**-**

(a) Inventory expense

There were write-downs of inventories to net realisable value during the year of $83,000 (2009: $6,000). This cost is recognised as an expense and was included in 'sales & marketing' in the statement of comprehensive income.

(b) Security

The committed cash advance facility is secured over the assets of the Group, including inventory (see Note 18).

13. Shares in subsidiaries

Shares in subsidiaries

	PARENT 2010 $'000	PARENT 2009 $'000
SHARES IN SUBSIDIARIES AT COST (NOTE 28)	3,490	1,232

14. Plant and equipment

Plant and equipment

CONSOLIDATED	PLANT AND EQUIPMENT $'000	FURNITURE AND OFFICE EQUIPMENT $'000	DISPLAY EQUIPMENT $'000	MOTOR VEHICLES $'000	TOTAL $'000
PERIOD ENDED 31 MARCH 2009					
OPENING NET BOOK AMOUNT	-	-	-	-	-
ACQUISITION OF SUBSIDIARY (NOTE 27)	29	27	-	48	104
EXCHANGE DIFFERENCES	2	2	-	3	7
ADDITIONS	351	79	-	-	430
DEPRECIATION CHARGE	(48)	(15)	-	(10)	(73)
CLOSING NET BOOK AMOUNT	**334**	**93**	**-**	**41**	**468**
AT 31 MARCH 2009					
COST	382	108	-	51	541
ACCUMULATED DEPRECIATION	(48)	(15)	-	(10)	(73)
NET BOOK AMOUNT	**334**	**93**	**-**	**41**	468
PERIOD ENDED 31 MARCH 2010					
OPENING NET BOOK AMOUNT	334	93	-	41	468
EXCHANGE DIFFERENCES	17	6	-	2	25
ADDITIONS	78	88	147	-	313
DISPOSALS	(20)	-	-	-	(20)
DEPRECIATION CHARGE	(68)	(37)	(8)	(8)	(121)
CLOSING NET BOOK AMOUNT	**341**	**150**	**139**	**35**	**665**
AT 31 MARCH 2010					
COST	470	209	147	53	879
ACCUMULATED DEPRECIATION	(129)	(59)	(8)	(18)	(214)
NET BOOK AMOUNT	**341**	**150**	**139**	**35**	**665**

The parent has no plant and equipment.

The Group leases motor vehicles under non-cancellable finance lease agreements (note 18). The amounts shown above for motor vehicles all relate to assets subject to these financial leases.

The committed cash advance facility is secured over the assets of the Group, including plant and equipment (see note 18).

15. Deferred tax

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The Group

The Group has not recognised deferred income tax assets of $1,182,000 (2009: $502,000) in respect of losses in the Australian subsidiary amounting to $3,939,090 (2009: $1,675,000) that can be carried forward against future taxable income. These losses have no expiry date.

The Parent

The Parent has not recognised deferred income tax assets of $45,000 (2009: $nil) in respect of losses amounting to $150,000 (2009: $nil) that can be carried forward against future taxable income. These losses have no expiry date.

16. Intangible assets

The parent has no intangible assets.

There are no internally generated assets included within intangibles.

Impairment tests for goodwill and key assumptions

Goodwill arose on the acquisition of a controlling interest in Ecoya Pty Limited in March 2008 and is allocated to the Group's cash-generating unit (CGU) of Ecoya Pty Limited's trading in the Australian domestic market.

The recoverable amount of a CGU is determined based on value-in-use calculations.

These calculations use pre-tax cash flow projections based on forecast performance for the year ending 31 March 2011 and financial budgets and models approved by management covering a further 4 year period.

The key assumptions for the value-in-use calculation are those regarding growth rates, the discount rate and gross margins.

In preparing the forecasts, management have assumed revenue growth starting at 38% in the first year and reducing over time, down to 12% in the fifth year. The growth rates through the 5 year model reflect the investment the business has made in sales and marketing, product packaging and branding.

Cash flows beyond the 5 year period are extrapolated using a 4.5% long term growth rate (2009: 4.5%) which is based on a combination of historic and forecast compound annual growth rates for the home fragrance and bath and body categories.

Management estimates discount rates using rates that reflect current market assessments of the time value of money and the risks specific to the business, including its start-up nature. A pre-tax discount rate of 17% has been adopted (2009: 17%).

Gross margin assumptions have been determined by management based on past performance and expectations of market development. Gross margins are forecast to increase to 49% for the year ending 31 March 2011, and then stabilise. The growth in the first year reflects the full year effect of improvements achieved during the year ended 31 March 2010 and two further factors: an increase in sales prices in mid 2010 and a reduction in the unit cost of three key inputs as a result of better buying terms.

All assumptions used in the model are consistent with the prior year.

Intangible assets

Consolidated	Goodwill $'000	Trademarks $'000	Software $'000	Total $'000
Period ended 31 March 2009				
Opening net book amount	-	-	-	-
Acquisition of subsidiary (note 27)	957	10	-	967
Exchange differences	64	-	-	64
Additions	-	30	-	30
Amortisation charge	-	(4)	-	(4)
Closing net book amount	**1,021**	**36**	**-**	**1,057**
At 31 March 2009				
Cost	1,021	40	-	1,061
Accumulated amortisation	-	(4)	-	(4)
Net book amount	**1,021**	**36**	**-**	**1,057**
Period ended 31 March 2010				
Opening net book amount	1,021	36	-	1,057
Exchange differences	51	1	-	52
Additions	-	-	45	45
Amortisation charge	-	(4)	(10)	(14)
Closing net book amount	1,072	33	35	1,140
At 31 March 2010				
Cost	1,072	43	45	1,160
Accumulated amortisation	-	(10)	(10)	(20)
Net book amount	**1,072**	**33**	**35**	**1,140**

17. Trade and other payables

Trade and other payables

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
TRADE PAYABLES	1,012	252	492	-
AMOUNT DUE TO RELATED PARTIES (NOTE 25)	116	-	27	-
ACCRUED EXPENSES	241	77	136	-
EMPLOYEE ENTITLEMENT	452	116	-	-
DEFERRED LEASE INCENTIVE	13	35	-	-
	1,834	**480**	**655**	**-**

(a) Foreign currency risk

The carrying amounts of the Group's and parent entity's trade payables and amounts due to related parties expressed in NZ dollars are denominated in the following currencies:

Trade payables and amounts due to related parties

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
AU DOLLARS	318	195	-	-
US DOLLARS	159	36	14	-
NZ DOLLARS	651	21	505	-
	1,128	**252**	**519**	-

FOR AN ANALYSIS OF THE SENSITIVITY OF TRADE AND OTHER PAYABLES TO FOREIGN CURRENCY RISK REFER TO NOTE 3(A)(i).

18. Interest bearing liabilities

Interest bearing liabilities

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
FINANCE LEASE LIABILITIES	30	45	-	-
CREDIT CARDS	-	11	-	-
BORROWINGS	1,000	-	1,000	-
TOTAL INTEREST BEARING BORROWINGS	**1,030**	**56**	**1,000**	**-**

On 24 December 2009, the Group entered into a committed cash advance facility with the Bank of New Zealand for $1,000,000. The facility is guaranteed by The Business Bakery LP and is secured on the assets of the Group. The loan was repaid on 30 April 2010.

The finance lease liabilities are secured on the related motor vehicles, see note 14.

(a) Present value of finance lease liabilities

Details of the present value of the Group's finance lease liabilities are set out on the following page.

Present value of finance lease liabilities

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Gross finance lease liabilities – minimum lease payments				
Commitments in relation to finance leases are payable as follows:				
No later than 1 year	30	16	-	-
Later than 1 year but not later than 5 years	-	32	-	-
Later than 5 years	-	-	-	-
	30	48	-	-
Future finance charges on finance leases	-	(3)	-	-
Present value of finance lease liabilities	30	45	-	-
The present value of finance lease liabilities is payable as follows:				
No later than 1 year	30	13	-	-
Later than 1 year but not later than 5 years	-	32	-	-
Later than 5 years	-	-	-	-
	30	45	-	-
Representing lease liabilities:				
Current	30	13	-	-
Non-current	-	32	-	-
	30	**45**	**-**	**-**

Risk exposures

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Non interest bearing liabilities				
Loans from related parties (note 19)	-	2,563	-	2,367
Interest bearing liabilities				
3 months or less	1,030	11	1,000	-
3 – 12 months	-	-	-	-
1 – 2 years	-	45	-	-
	1,030	**2,619**	**1,000**	**2,367**

(b) Fair value

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant. The fair value of the finance lease liabilities (interest rate of 8.6% (2009: 8.6%)) approximates the carrying amount.

(c) Risk exposures

The exposure of the Group's and parent entity's borrowings to interest rate changes and the contractual repricing dates at the balance dates are set out in the table above.

The carrying amounts of the Group's borrowings expressed in NZ dollars are denominated in the following currencies:

The Group's borrowings expressed in NZ dollars

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
NZ dollars	1,000	2,367	1,000	2,367
AU dollars	30	252	-	-
	1,030	**2,619**	**1,000**	**2,367**

19. Non-interest bearing liabilities

Non-interest bearing liabilities

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
CURRENT UNSECURED				
THE BUSINESS BAKERY LP	-	2,367	-	2,367
C SCHWEIGHOFFER	-	135	-	-
PAUNUI HOLDINGS PTY LTD	-	61	-	-
	-	**2,563**	**-**	**2,367**

Loans from related parties

Further information relating to loans from the parent entity and related parties is set out in Note 25.

20. Derivative financial instruments

Derivative financial instruments

	CONSOLIDATED 2010 ASSETS $'000	CONSOLIDATED 2010 LIABILITIES $'000	PARENT 2010 ASSETS $'000	PARENT 2010 LIABILITIES $'000
FORWARD FOREIGN EXCHANGE CONTRACTS-				
CASH FLOW HEDGES	-	23	-	23
	-	23	-	23

	CONSOLIDATED 2009 ASSETS $'000	CONSOLIDATED 2009 LIABILITIES $'000	PARENT 2009 ASSETS $'000	PARENT 2009 LIABILITIES $'000
FORWARD FOREIGN EXCHANGE CONTRACTS-				
CASH FLOW HEDGES	-	-	-	-
	-	-	-	-

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 March 2010 were $727,000 (2009:$nil).

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 3 months.

21. Contributed equity

(a) Share capital

CONSOLIDATED AND PARENT	NUMBER OF ORDINARY SHARES	$'000
AT 31 JANUARY 2008		
AUTHORISED AND ISSUED (NO PAR VALUE)	100	-
AT 31 MARCH 2009	100	-
SHARES ISSUED IN SATISFACTION OF RELATED PARTY LOAN	27,358,490	2,999
SHARES ISSUED IN CONSIDERATION FOR THE ACQUISITION OF ALL THE SHARES THEN HELD BY PAUNUI HOLDINGS PTY LIMITED IN ECOYA PTY LIMITED	5,250,000	2,258
PROCEEDS FROM SHARES ISSUED	3,441,410	1,475
SHARE CONSOLIDATION	(3,050,000)	-
TRANSACTION COSTS RELATED TO THE ABOVE SHARE TRANSACTIONS	-	(5)
AT 31 MARCH 2010	33,000,000	6,727

The total authorised number of ordinary shares at 31 March 2010 is 33 million shares (2009: 100 shares). All issued shares are fully paid.

On 31 December 2009, the Company increased its ordinary share capital from 100 shares to 35,000,000 shares. These ordinary shares were issued on 31 December 2009 as follows:

- The Business Bakery LP was issued 27,358,490 shares (before the share consolidation referred to below) for a total issue price of $2,999,000. The issue price was satisfied by way of set off against shareholder advances made by The Business Bakery LP to the Company since February 2008.
- 2,391,410 shares (before the share consolidation) were issued for a total issue price of $1,025,000 settled in cash. Of these shares, 1,750,000 were issued to interests associated with Richard Frank. Mr Frank was appointed a director of the Company on 8 February 2010.
- 5,250,000 ordinary shares (before the share consolidation) were issued to Paunui Holdings Pty Limited, a company associated with Craig Schweighoffer in consideration for the acquisition of all of the shares then held by Paunui Pty Holdings Limited in Ecoya Pty Limited. The fair value consideration attributed to these shares amounted to $2,258,000. This was determined with reference to the issue of shares to a third party on the same date. Craig Schweighoffer was appointed a Director of the Company on 8 February 2010.

On 12 February 2010, the Company completed the issue of 466,667 new shares (before the share consolidation) to interests associated with Rob Fyfe for $200,000. Mr Fyfe was appointed a director of the Company on 1 March 2010.

On 18 March 2010, the Company agreed to the issue of 583,333 new shares (before the share consolidation) for a total issue price of $250,000 settled in cash.

On 24 March 2010, the Company consolidated the 36,050,000 fully paid ordinary shares in the Company into 33,000,000 fully paid ordinary shares.

The transaction costs related to the above share transactions amounting to $5,000 has been netted against the deemed proceeds.

22. Reserves and accumulated losses

(a) Reserves

	Consolidated 2010 $'000	Consolidated 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Reserves				
Foreign currency translation reserve	25	71	-	-
	25	71	-	-
Foreign currency translation reserve				
Opening balance	71	-	-	-
Currency translation gains/(losses)	(46)	71	-	-
Balance 31 March	**25**	**71**	**-**	**-**

(i) Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations into New Zealand dollars (note 2(c)). No tax is attributable to these foreign exchange differences.

(b) (Accumulated losses) / retained earnings

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
OPENING BALANCE	(645)	-	44	-
NET (LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF ECOYA LIMITED	(1,918)	(645)	(17)	44
ISSUE OF ORDINARY SHARES (NOTE 21)	(2,258)	-	-	-
ACQUISITION OF MINORITY INTEREST (NOTE 26)	(604)	-	-	-
BALANCE 31 MARCH	**(5,425)**	**(645)**	**27**	**44**

23. Contingencies

As at 31 March 2010 the parent entity and the Group had no contingent liabilities or assets (2009: $nil).

24. Commitments

As at 31 March 2010 the parent entity and Group had no capital commitments (2009: $nil).

(i) *Operating leases*
The Group leases premises. Operating leases held over properties were entered into in October 2008 for two years with a two year right of renewal.

There are no sub-leases from the above.

24. Commitments: Operating leases

	CONSOLIDATED 2010 $'000	CONSOLIDATED 2009 $'000	PARENT 2010 $'000	PARENT 2009 $'000
COMMITMENTS FOR MINIMUM LEASE PAYMENTS IN RELATION TO NON-CANCELLABLE OPERATING LEASES ARE PAYABLE AS FOLLOWS:				
WITHIN ONE YEAR	81	130	-	-
LATER THAN ONE BUT NOT LATER THAN FIVE YEARS	-	76	-	-
LATER THAN FIVE YEARS	-	-	-	-
	81	**206**	**-**	**-**

25. Related party transactions

(a) Parent entities

The Group is controlled by The Business Bakery LP, a Limited Partnership registered in New Zealand. The Business Bakery LP held 75.9% of the shares at 31 March 2010 (2009: 100%).

(b) Directors

The Directors during the year were Stephen Sinclair and Grant Baker who were appointed on 31 January 2008. Other directors appointed during the year were:

	DATE OF APPOINTMENT
GEOFF ROSS	23 November 2009
CRAIG SCHWEIGHOFFER	08 February 2010
RICHARD FRANK	08 February 2010
ROB FYFE	01 March 2010
COLLETTE DINNIGAN	01 March 2010

DEETA COLVIN WAS APPOINTED TO THE BOARD ON 3 MAY 2010

(c) Key management and personnel compensation

The Managing Director of subsidiary Ecoya Pty Limited, Craig Schweighoffer, provides services to the Group through an associated company, Paunui Holdings Pty Limited ("Paunui"). Consulting fees of $238,000 for the year (2009 : $241,000) were payable to Paunui. Independent Director fees for the year were payable to Collette Dinnigan, Richard Frank and Rob Fyfe totalling $13,000 (2009 : $nil). The total amount owing to the independent directors at 31 March 2010 was $13,000 (2009: $nil).

(d) Other transactions

(i) with the parent entity

No amount was paid to the Business Bakery LP during the year in respect to management services (2009 : $23,000).

On 25 March 2010 the Company entered into a management services agreement relating to the provision of management services provided by Grant Baker, Stephen Sinclair and Geoff Ross. The annual fee under that contract is AUD400,000.

The Business Bakery LP provided funding to the Group during the year. The funding was made by way of an interest-free loan, repayable on demand. The net amount advanced by The Business Bakery LP in the year was $633,000 (2009: $2,367,000). On 31 December 2009 27,358,490 ordinary shares in the Company were issued to The Business Bakery LP for a total issue price of $2,999,000 satisfied by set-off against the debt.

The Business Bakery LP incurred travel and accommodation expenses on behalf of Ecoya Pty Limited of $89,000 for the year (2009:$nil). The total amount owing to The Business Bakery at year end was $89,000 (2009:$nil).

(ii) with subsidiaries

The Company provided funding to its subsidiary during the year by way of an Australian dollar denominated loan, repayable on demand. The loan bears interest at a rate equivalent to the dividend rate payable by the subsidiary. No interest was payable for the year ended 31 March 2010 (2009:$nil). The total advanced and outstanding at 31 March 2010 was $4,019,000 (2009: $1,179,000). The Company has a fixed and floating charge over the assets of its subsidiary under the terms of a General Security Agreement.

During the year the Company incurred marketing expenses on behalf of Ecoya Pty Limited totalling $164,000 (2009:$nil). The total outstanding as at 31 March 2010 was $164,000 (2009:$nil).

(iii) with other related parties

Craig Schweighoffer made purchases on behalf of the company during the year of $229,000 (2009: $344,000). At 31 March 2010 the amount due to Mr Schweighoffer relating to those purchases was $nil (2009: $135,000).

During the year ended 31 March 2009 Lisa Schweighoffer, Craig Schweighoffer's wife, provided marketing services to Ecoya Pty Limited and was paid $14,000 for those services. No services were provided or payment made during 2010. No monies were owed to Ms Schweighoffer at 31 March 2010 (2009: $nil).

During the year ended 31 March 2009 Paunui provided funding through unpaid consulting fees. The total consulting fees due to Paunui at 31 March 2009 was $61,000.No balance was due to Paunui at 31 March 2010.

Richard Frank incurred travel and accommodation expenses on behalf of the company during the year of $14,000 (2009:$nil). The total amount owing to Richard Frank at year end was $14,000 (2009:$nil).

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

(e) Subsidiaries

Interest in subsidiaries are set out in note 28.

26. Minority Interest

On 31 December 2009 the Company acquired a further 30% of the shares in its subsidiary Ecoya Pty Limited by way of a share swap with Paunui Holdings Pty Limited ("Paunui"), a company associated with Craig Schweighoffer. Paunui was issued with share capital equal to 15% of Ecoya Limited in exchange for the 30% holding Paunui had in Ecoya Pty Limited.

As a result of this transaction, the Company has 100% ownership and there are no longer any minority shareholders in the subsidiary.

At 1 April 2009 the amount of equity attributed to the minority was a deficit of $174,000. The share of comprehensive income attributed to the minority for the period to 31 December 2009 was a loss of $433,000. To reflect the transaction with Paunui the balance attributable to the minority at 31 December 2009 of $604,000 has been transferred to the equity holders of Ecoya Limited as reflected in the Statement of Movements in Equity.

27. Business Combinations

Prior period acquisition

	CONSOLIDATED 2009 $'000
PURCHASE CONSIDERATION	
CASH PAID	1,189
DIRECT COSTS RELATING TO THE ACQUISITION	43
TOTAL PURCHASE CONSIDERATION	1,232
SHARE OF FAIR VALUE OF NET IDENTIFIABLE ASSETS ACQUIRED	(275)
GOODWILL (NOTE 16)	957

(i) Purchase consideration

	CONSOLIDATED 2009 $'000
OUTFLOW OF CASH TO ACQUIRE SUBSIDIARY, NET OF CASH ACQUIRED	
CASH CONSIDERATION	1,232
LESS: CASH BALANCES ACQUIRED	
CASH	512
NET OUTFLOW OF CASH	720

Assets and liabilities acquired

	ACQUIREE'S CARRYING AMOUNT $'000	FAIR VALUE $'000
CASH	512	512
TRADE AND OTHER RECEIVABLES	174	174
INVENTORIES	156	156
PLANT AND EQUIPMENT	105	105
INTANGIBLE ASSETS: TRADEMARKS	10	10
TRADE PAYABLES	(252)	(252)
ADVANCES FROM ECOYA LIMITED	(310)	(310)
NET ASSETS	395	395
MINORITY INTERESTS		(120)
SHARE OF NET IDENTIFIABLE ASSETS REQUIRED		275

(a) Prior period acquisition

On 4 March 2008 the parent entity acquired 70% of the issued share capital and voting rights of Ecoya Pty Limited for $1,232,000. At that date, the fair value of the net assets and liabilities in Ecoya Pty Limited equalled $395,000 and goodwill arising from the acquisition was $957,000.

The acquired business contributed revenues of $2,349,000 and a net loss of $983,000 to the Group for the period from 4 March 2008 to 31 March 2009.

At the date of acquisition, the acquired entity is involved in manufacturing and wholesale selling of products in the home fragrance and bath categories.

Details of the fair value of the assets and liabilities acquired and goodwill arising are as shown opposite:

(ii) Assets and liabilities acquired

The assets and liabilities as of 4 March 2008, arising from the acquisition are as above.

The goodwill is attributable to the underlying business processes and the customer base.

On 31 December 2009 the parent entity acquired the remaining 30% of the issued share capital and voting rights of Ecoya Pty Limited for $2,258,000 (note 26).

28. Investments in subsidiaries

Investments in subsidiaries

NAME OF ENTITY	BUSINESS	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING 2010 %	EQUITY HOLDING 2009 %
ECOYA PTY LIMITED	Trading	Australia	Ordinary	100	70
ECOYA HOLDING TRUST LIMITED	Non-trading	Australia	Ordinary	70	70
ECOYA UNIT TRUST	Non-trading	Australia	Ordinary	70	70
ECOYA USA INCORPORATED	Non-trading	USA	Ordinary	100	-
KANARA HOLDINGS LIMITED	Non-trading	NZ	Ordinary	100	-

The consolidated financial statements incorporate the assets, liabilities and results of the above subsidiaries in accordance with the accounting policy described in note 2 (b).

29. Reconciliation of (loss)/profit after income tax to net cash flow inflow from operating activities

Reconciliation of (loss) / profit after income tax to net cash flow inflow from operating activities

	Consolidated 12 months ended 31 March 2010 $'000	Consolidated 14 months ended 31 March 2009 $'000	Parent 12 months ended 31 March 2010 $'000	Parent 14 months ended 31 March 2009 $'000
(Loss)/profit for the period	(2,351)	(940)	(17)	44
Depreciation and amortisation	135	77	-	-
Losses on derivative financial instruments	23	-	23	-
Foreign exchange (gains)/losses	(119)	(35)	(133)	(44)
Movements in working capital:				
Increase in inventories	(289)	(296)	-	-
Increase in trade and other receivables	(1,036)	(111)	(693)	-
Decrease in trade and other payables	1,240	360	655	-
Net cash outflow from operating activities	(2,397)	(945)	(165)	-

30. Earnings per share

Earnings per share

	2010	2009
LOSS AFTER TAX (000'S)	1,918	645
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ON ISSUE	7,975,551	100
BASIC LOSSES PER SHARE (DOLLARS)	0.24	6,450

Weighted average number of ordinary shares

	2010	2009
ISSUED ORDINARY NUMBER OF SHARES AT THE BEGINNING OF THE PERIOD/ON INCORPORATION	100	100
ISSUED ORDINARY SHARES AT END OF PERIOD	33,000,000	100
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	7,975,551	100

Basic earnings per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the period.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares.

31. Prospective financial information

On 25 March 2010 Ecoya Limited issued an investment statement and prospectus in relation to a public offering of ordinary shares. This prospectus contained prospective financial statements for the Group for the year ending 31 March 2010. The Directors wish to report the Group's actual results for the year ended 31 March 2010 against the prospective financial information for the year ended 31 March 2010 contained in the prospective financial statements.

Prospective Income Statement

For the year ended 31 March 2010

	Consolidated 12 months ended 31 March 2010 Actual $'000	Consolidated 12 months ended 31 March 2010 Prospective $'000	Variance $'000
Revenue	3,906	3,917	(11)
Cost of sales	(2,830)	(2,709)	(121)
Gross profit	1,076	1,208	(132)
Other income	-	-	-
Other gains (losses) - net	(3)	-	(3)
Expenses			
Distribution	(306)	(303)	(3)
Sales and marketing	(1,566)	(1,646)	80
Administration	(1,602)	(1,565)	(37)
Other	(66)	(60)	(6)
Finance income - net	116	110	6
(Loss)/profit before income tax	(2,351)	(2,256)	(95)
Income tax expense	-	-	-
(Loss)/profit for the period	(2,351)	(2,256)	(95)
Other comprehensive income			
Foreign currency translation	(43)	(46)	3
Total comprehensive income for the period	(2,394)	(2,302)	(92)
(Loss) for the period attributable to:			
Equity holders of Ecoya Limited	(1,918)	(1,823)	(95)
Minority interest	(433)	(433)	-
	(2,351)	(2,256)	(95)
Total comprehensive income attributable to:			
Equity holders of Ecoya Limited	(1,964)	(1,872)	(92)
Minority interest	(430)	(430)	-
	(2,394)	(2,302)	(92)

Explanation of variances - Income Statement

The $121,000 increase in cost of sales and resulting reduction in gross margin was predominantly due to stock take adjustments made at 31 March 2010. The group completed a year end review of inventory and adjusted the inventory balance as a result of that review.

Overall operating expenses were $40,000 better than predicted in the prospective financial information. The favourable variance was due to the capitalising of tradeshow equipment. The positive variance in the tradeshow account was $74,000. This positive variance was offset by an increase in the provision for a write off of old packaging in preparation for the launch of the new brand. The packaging provision increased by $35,000.

Explanation of variances - Statement of Financial Position

The key variances in actual balance sheet versus the prospective financial information relate to cash, accounts receivable and accounts payable. The increase in Trade and Other Payables was mainly due to higher than expected listing expenses payable at 31 March 2010. This resulted in the Prepayments account included in Trade and Other Receivables to be higher by the same amount. The increase in cash was mainly due to higher than expected debtor receipts and lower supplier payments around year end.

Prospective Statement of Financial Position

For the year ended 31 March 2010

	CONSOLIDATED 2010 ACTUAL $'000	CONSOLIDATED 2009 PROSPECTIVE $'000	VARIANCE $'000
ASSETS			
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	310	130	180
TRADE AND OTHER RECEIVABLES	1,359	1,176	183
INVENTORIES	740	878	(138)
TOTAL CURRENT ASSETS	2,409	2,184	225
NON-CURRENT ASSETS			
PLANT AND EQUIPMENT	665	570	95
INTANGIBLE ASSETS	1,140	1,118	22
TOTAL NON-CURRENT ASSETS	1,805	1,688	117
TOTAL ASSETS	4,214	3,872	342
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	1,834	1,422	412
INTEREST BEARING LIABILITIES	1,030	1,032	(2)
DERIVATIVE FINANCIAL INSTRUMENTS	23	-	23
TOTAL CURRENT LIABILITIES	2,887	2,454	433
TOTAL LIABILITIES	2,887	2,454	433
NET ASSETS	1,327	1,418	(91)
EQUITY			
CONTRIBUTED EQUITY	6,727	6,727	-
RESERVES	25	22	3
(ACCUMULATED LOSSES)	(5,425)	(5,331)	(94)
	1,327	1,418	(91)
TOTAL EQUITY	1,327	1,418	(91)

Prospective Statement of Movement in Equity

For the year ended 31 March 2010

	CONSOLIDATED 12 MONTHS ENDED 31 MARCH 2010 ACTUAL $'000	CONSOLIDATED 12 MONTHS ENDED 31 MARCH 2010 PROSPECTIVE $'000	VARIANCE $'000
BALANCE AS AT 1 APRIL 2009	(748)	(748)	-
LOSS FOR THE PERIOD	(2,351)	(2,257)	(94)
FOREIGN CURRENCY TRANSLATION	(43)	(46)	3
TOTAL COMPREHENSIVE INCOME	(2,394)	(2,303)	(91)
ISSUE OF ORDINARY SHARES			
FOR CASH	1,475	1,475	-
CAPITALISATION OF RELATED PARTY LOAN	2,999	2,999	-
SHARE ISSUE COST	(5)	(5)	-
BALANCE AS AT 31 MARCH 2010	1,327	1,418	(91)

Explanation of variances - Statement of Movement in Equity

The variance in equity is due to the increase in the loss for the period.

Explanation of variances - Statement of Cash Flows

The key variances in actual cashflow versus the prospective financial information relates to cash receipts from customers and payments for plant and equipment. Receipts from customers was higher than expected mainly due to a higher collection rate around year-end. The increase in cash paid for plant and equipment relates to the tradeshow equipment which has been capitalised.

Prospective Statement of Cash Flows

For the year ended 31 March 2010

	CONSOLIDATED 2010 ACTUAL $'000	CONSOLIDATED 2009 PROSPECTIVE $'000	VARIANCE $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS FROM CUSTOMERS (INCLUSIVE OF GOODS AND SERVICES TAX)	3,558	3,307	251
PAYMENTS TO SUPPLIERS AND EMPLOYEES (INCLUSIVE OF GOODS AND SERVICES TAX)	(5,939)	(5,960)	21
INTEREST RECEIVED	1	-	1
INTEREST PAID	(17)	(8)	(9)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	(2,397)	(2,661)	264
CASH FLOWS FROM INVESTING ACTIVITIES			
PAYMENTS FOR PLANT AND EQUIPMENT	(314)	(226)	(88)
PROCEEDS FROM SALE OF PLANT AND EQUIPMENT	20	-	20
PAYMENTS FOR INTANGIBLE ASSETS	(45)	(32)	(13)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	(339)	(258)	(81)
CASH FLOWS FROM FINANCING ACTIVITIES			
LOAN RECEIVED FROM PARENT	2,706	2,706	-
REPAYMENT OF LOAN FROM PARENT	(2,073)	(2,073)	-
REPAYMENTS ON FINANCE LEASE	(14)	(11)	(3)
PROCEEDS FROM BORROWINGS	1,000	1,000	-
LOAN RECEIVED FROM RELATED PARTY	117	117	-
REPAYMENT OF LOAN FROM RELATED PARTY	(178)	(180)	2
NET PROCEEDS FROM ISSUE OF SHARES	1,470	1,471	(1)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	3,028	3,030	(2)
NET INCREASE IN CASH AND CASH EQUIVALENTS	292	111	181
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	18	18	-
EXCHANGE GAINS ON CASH AND CASH EQUIVALENTS	-	1	(1)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	310	130	180

32. Events occurring after the balance date

On 30 April 2010 the Company allotted 10,100,000 shares, 2,525,000 series 1 warrants and 2,525,000 series 2 warrants. On 10 May 2010 the Company allotted an additional 2,574 shares, 643 series 1 warrants and 643 series 2 warrants. The total issue share price was $1. The shares and warrants were issued for cash.

The Company's shares and warrants commenced trading on the New Zealand Stock Market on 4 May 2010.

The Company plans to provide limited recourse loans to the independent directors to enable them to subscribe for an aggregate of 675,000 shares at $1 each. At the date of these financial statements the loans have not been made and the shares had not been issued.

The Company also intends to establish an Employee Share Scheme. No shares have been issued under the Employee Share Scheme at the date of these financial statements, but it is initially intended to allocate up to 675,000 shares and 337,500 warrants to the Employee Share Scheme.

On 1 April 2010 the Company entered into a bond with NZX securing payment of listing expenses. The bond is for $75,000 and is secured by deposit funds held with the Company's banker, The Bank of New Zealand.

ECOYA:

Shareholder and Statutory Information

SHAREHOLDER AND STATUTORY INFORMATION

Twenty Largest Shareholders

NAME	ORDINARY SHARES	%
THE BUSINESS BAKERY LP	27,926,521	64.79
PAUNUI HOLDINGS PTY LIMITED	4,805,825	11.15
RICHARD FRANK	1,186,165	2.75
NEW ZEALAND CENTRAL SECURITIES DEPOSITORY LIMITED	950,000	2.20
JUSTIN BADE	783,980	1.81
FIRST NZ CAPITAL CUSTODIANS LIMITED	656,000	1.52
ROBERT FYFE, DONNA FYFE AND PETER BROWN	652,185	1.51
FAR EAST ASSOCIATED TRADERS LIMITED	587,145	1.36
STRATTON SCLAVOS	500,000	1.16
PAUL FRANK	420,388	0.98
DARRYL FRANK	420,388	0.98
DAVID POOLE	400,000	0.93
CUSTODIAL SERVICES LIMITED - A/C 3	279,000	0.65
HUBBARD CHURCHER MANAGEMENT LIMITED	250,000	0.58
CRAIG SCHWEIGHOFFER AND LISA SCHWEIGHOFFER	140,000	0.32
JANET AND FRED YUEN	108,000	0.25
SELWYN BRUCE ROBINSON AND ACCUMULUS TRUSTEE LIMITED	100,000	0.23
CUSTODIAL SERVICES LIMITED - A/C 4	100,000	0.23
JB WERE (NZ) NOMINEES LIMITED – A/C 45074	95,000	0.22
CUSTODIAL SERVICES LIMITED – A/C 2	70,730	0.16
	40,431,327	**93.78**

The Company's shares and warrants are listed on the main board of the equity security market operated by NZX Limited.

Twenty Largest Shareholders

The table above shows the names and holdings of the 20 largest holders of quoted ordinary shares of the Company as at 18 June 2010.

Twenty Largest Registered Holdings of Series 1 and Series 2 Warrants

NAME	SERIES 1 WARRANTS	%	SERIES 2 WARRANTS	%
THE BUSINESS BAKERY LP	720,653	28.53	720,653	28.53
NEW ZEALAND CENTRAL SECURITIES DEPOSITORY LIMITED	237,500	9.40	237,500	9.40
FIRST NZ CAPITAL SECURITIES LTD	-	-	150,000	5.94
STRATTON SCLAVOS	125,000	4.95	125,000	4.95
DAVID POOLE	100,000	3.96	100,000	3.96
CUSTODIAL SERVICES LIMITED – A/C 3	69,750	2.76	69,750	2.76
JUSTIN BADE	62,500	2.47	62,500	2.47
HUBBARD CHURCHER MANAGEMENT LIMITED	62,500	2.47	62,500	2.47
FIRST NZ CAPITAL SECURITIES LTD	60,000	2.38	-	-
RICHARD FRANK	56,250	2.23	56,250	2.23
ROBERT FYFE, DONNA FYFE AND PETER BROWN	56,250	2.23	56,250	2.23
CRAIG ALEXANDER PHILIP	50,000	1.98	-	-
MARTIN AND ELAINE SHONA SMITH	50,000	1.98	-	-
CRAIG SCHWEIGHOFFER AND LISA SCHWEIGHOFFER	35,000	1.39	35,000	1.39
JANET AND FRED YUEN	27,000	1.07	27,000	1.07
CUSTODIAL SERVICES LIMITED - A/C 4	25,000	0.99	25,000	0.99
DARRYL FRANK	25,000	0.99	25,000	0.99
PAUL FRANK	25,000	0.99	25,000	0.99
SELWYN BRUCE ROBINSON AND ACCUMULUS TRUSTEE LIMITED	25,000	0.99	25,000	0.99
JB WERE (NZ) NOMINEES LIMITED - A/C 45074	23,750	0.94	23,750	0.94
FNZ CUSTODIANS LIMITED	17,500	0.69	17,500	0.69
RAYMOND YOUNG	-	-	17,500	0.69
CUSTODIAL SERVICES LIMITED – A/C 2	-	-	17,000	0.67
	1,853,653	73.39%	1,878,153	74.35%

The table above shows the names and holdings of the 20 largest registered holdings of quoted series 1 and series 2 warrants of the Company as at 18 June 2010.

Spread of Security Holders

As at 18 June 2010

SIZE OF HOLDING	HOLDER COUNT	%	ORDINARY SHARES HOLDING QUANTITY	%
1 - 999	2	0.51	693	0.00
1,000 – 1,999	80	20.30	88,663	0.20
2,000 – 4,999	108	27.41	290,423	0.67
5,000 – 9,999	93	23.60	498,680	1.16
10,000 – 49,999	81	20.56	1,226,788	2.85
50,000 – 99,999	12	3.05	731,730	1.70
100,000 – 499,999	9	2.28	2,217,776	5.15
500,000 – 999,999	6	1.53	4,129,310	9.58
1,000,000 +	3	0.76	33,918,511	78.69
TOTAL	394	100.00	43,102,574	100.00

SIZE OF HOLDING	HOLDER COUNT	%	SERIES 1 WARRANTS HOLDING QUANTITY	%	HOLDER COUNT	%	SERIES 1 WARRANTS HOLDING QUANTITY	%
1 - 999	171	43.18	79,340	3.14	170	43.04	78,590	3.11
1,000 – 1,999	102	25.76	128,875	5.10	102	25.82	128,875	5.10
2,000 – 4,999	72	18.18	192,810	7.63	73	18.48	196,560	7.78
5,000 – 9,999	21	5.30	134,965	5.34	22	5.57	141,965	5.62
10,000 – 49,999	18	4.55	339,250	13.44	18	4.56	339,250	13.43
50,000 – 99,999	8	2.02	467,250	18.50	5	1.27	307,250	12.18
100,000 – 499,999	3	0.76	462,500	18.32	4	1.01	612,500	24.25
500,000 – 999,999	1	0.25	720,653	28.53	1	0.25	720,653	28.53
TOTAL	396	100.00	2,525,643	100.00	395	100.00	2,525,643	100.00

Substantial Security Holders

	NUMBER OF SHARES	%
THE BUSINESS BAKERY LP	27,926,521	64.79
PAUNUI HOLDINGS PTY LIMITED	4,805,825	11.15
CRAIG SCHWEIGHOFFER AND LISA SCHWEIGHOFFER*	140,000	0.32
ECOYA LIMITED**	32,732,346	75.95

* NOTE: IN ADDITION TO THE SHARES HELD BY CRAIG SCHWEIGHOFFER AND LISA SCHWEIGHOFFER JOINTLY IN THEIR OWN NAMES THEY ARE DEEMED TO HAVE A RELEVANT INTEREST IN THE SHARES HELD BY PAUNUI HOLDINGS PTY LIMITED.

** NOTE: ECOYA LIMITED IS DEEMED TO HOLD A RELEVANT INTEREST IN THE SHARES HELD BY THE BUSINESS BAKERY LP AND PAUNUI HOLDINGS PTY LIMITED BECAUSE OF THE POWER OF CONTROL IT HOLDS UNDER RESTRICTED SECURITY DEEDS DATED 25 MARCH 2010 WHICH RESTRICT THEM FROM DISPOSING OF THE LEGAL OR BENEFICIAL OWNERSHIP OF THE SHARES HELD BY THEM, OTHERWISE THAN THROUGH A BONA FIDE SUPPORTING SECURITY INTEREST GRANTED TO A LENDER ON COMMERCIAL TERMS, FROM 3 MAY 2010 TO THE DAY AFTER THE DATE THAT ECOYA RELEASES TO NZX ITS FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2011.

Substantial Security Holders

The above information is given pursuant to section 35F of the Securities Market Act 1988.

The above are registered by the Company as at 18 June 2010 as Substantial Security Holders in the Company, having declared a relevant interest in voting securities under section 26 of the Securities Markets Act 1988.

The total number of voting securities of the company on issue at 18 June 2010 was 43,102,574 paid ordinary shares.

Statement of Directors' Security Holdings

	AS AT 31 MARCH 2010 RELEVANT INTEREST
GEOFF ROSS, GRANT BAKER AND STEPHEN SINCLAIR*	25,043,924
CRAIG SCHWEIGHOFFER**	4,805,825
RICHARD FRANK	961,165
ROB FYFE	425,185
COLLETTE DINNIGAN	nil
DEETA COLVIN	n/a

* THESE SHARES ARE HELD BY THE BUSINESS BAKERY LP (A LIMITED PARTNERSHIP ASSOCIATED WITH GEOFF ROSS, GRANT BAKER AND STEPHEN SINCLAIR)

** THESE SHARES ARE HELD BY PAUNUI HOLDINGS PTY LIMITED (A COMPANY ASSOCIATED WITH CRAIG SCHWEIGHOFFER)

NOTE: DEETA COLVIN WAS NOT A DIRECTOR AS AT THE BALANCE DATE

Directors' Remuneration and Other Benefits

	$	NATURE OF REMUNERATION
GEOFF ROSS, GRANT BAKER AND STEPHEN SINCLAIR	nil	n/a
CRAIG SCHWEIGHOFFER	NZ$238,000	consulting fees
RICHARD FRANK	NZ$4,315	directors' fees
ROB FYFE	NZ$4,315	directors' fees
COLLETTE DINNIGAN	NZ$4,315	directors' fees

NOTE: DEETA COLVIN WAS NOT A DIRECTOR DURING THE ACCOUNTING PERIOD.

Director Share Dealings

DIRECTOR	NUMBER OF SHARES ACQUIRED / (DISPOSED)	NATURE OF RELEVANT INTEREST	CASH CONSIDERATION PAID / (RECEIVED) $	DATE OF ACQUISITION OR DISPOSAL	NOTES
GEOFF ROSS, GRANT BAKER AND STEPHEN SINCLAIR	27,358,490	POWER TO CONTROL SHARES/ VOTING	2,999,000	31 DECEMBER 2009	(1)
RICHARD FRANK	1,050,000	POWER TO CONTROL SHARES/ VOTING	450,000	31 DECEMBER 2009	(2)
CRAIG SCHWEIGHOFFER	5,250,000	POWER TO CONTROL SHARES/ VOTING	-	31 DECEMBER 2009	(3)
ROB FYFE	466,667	POWER TO CONTROL SHARES/ VOTING	200,000	12 FEBRUARY 2010	(4)

1. THE BUSINESS BAKERY LP REPRESENTS THE INTERESTS OF DIRECTORS GRANT BAKER, GEOFF ROSS AND STEPHEN SINCLAIR. THE SHARES HELD BY THE BUSINESS BAKERY LP REDUCED TO 25,043,924 AS A RESULT OF A SHARE CONSOLIDATION THAT OCCURRED ON 24 MARCH 2010.
2. THE SHARES HELD BY RICHARD FRANK REDUCED TO 961,165 FOLLOWING A SHARE CONSOLIDATION ON 24 MARCH 2010.
3. THE SHARES HELD BY PAUNUI HOLDINGS PTY LIMITED (A COMPANY ASSOCIATED WITH CRAIG SCHWEIGHOFFER) REDUCED TO 4,805,825 FOLLOWING A SHARE CONSOLIDATION ON 24 MARCH 2010.
4. THE SHARES HELD BY ROB FYFE REDUCED TO 425,185 FOLLOWING A SHARE CONSOLIDATION ON 24 MARCH 2010.

Statement of Directors' Security Holdings

Directors held equity securities in the company as at balance date (note this was prior to the IPO) and as at 18 June 2010, as shown on the previous page.

Directors' remuneration and other benefits

The names of the directors of the company at 18 June 2010 and the details of their remuneration and value of other benefits received for services to Ecoya Limited for the accounting period ended on 31 March 2010, as shown on the previous page.

Entries recorded in the interests register

The entries on the previous page were recorded in the Interests Register of the Company during the accounting period ended 31 March 2010.

Director Share Dealings

During the accounting period ended 31 March 2010 the directors disclosed under section 148 of the Companies Act 1993 that they acquired or disposed of relevant interests in ordinary shares issued by the Company, as shown on the previous page.

Directors' Remuneration

The remuneration of Independent Directors is recorded in the interests register. All Independent Directors receive an annual fee of A$40,000.

The Business Bakery LP (associated with Executive Directors Grant Baker, Geoff Ross and Stephen Sinclair) is paid fees in connection with the Executive Director services provided on its behalf by Grant Baker, Geoff Ross and Stephen Sinclair pursuant to a consultancy agreement dated 25 March 2010. The annual service fee under that consulting agreement is A$400,000 plus GST. No payments were made under this agreement during the accounting period ended 31 March 2010.

Paunui Holdings Pty Limited (associated with Managing Director Craig Schweighoffer) is paid pursuant to a consulting agreement dated 30th October 2009 for Managing Director services provided on its behalf by Craig Schweighoffer. The annual service fee under this agreement is A$183,540 plus GST.

Indemnity and Insurance

The company entered into an indemnity in favour of its directors under a deed dated 25 March 2010. The deed was subsequently amended on 27 April 2010.

Employees' Remuneration

REMUNERATION RANGE $NZ	NUMBER OF EMPLOYEES
100,000 – 110,000	1
110,000 – 120,000	1
140,000 – 150,000	1

Employees' Remuneration

During the accounting period ended 31 March 2010, the number of employees, not being Directors of the Company, who received remuneration and the value of other benefits exceeding NZ$100,000 was as shown above.

NZX waivers obtained during the accounting period to 31 March 2010

No NZX waivers were applied for during the accounting period ended 31 March 2010.

ECOYA:

Corporate Directory

Corporate Directory

DIRECTORS

MR GRANT BAKER	EXECUTIVE DIRECTOR	APPOINTED 31 JANUARY 2008
MR STEPHEN SINCLAIR	CHIEF FINANCIAL OFFICER	APPOINTED 31 JANUARY 2008
MR GEOFF ROSS	EXECUTIVE CHAIRMAN	APPOINTED 23 NOVEMBER 2009
MR CRAIG SCHWEIGHOFFER	MANAGING DIRECTOR	APPOINTED 08 FEBRUARY 2010
MR RICHARD FRANK	INDEPENDENT DIRECTOR	APPOINTED 08 FEBRUARY 2010
MR ROB FYFE	INDEPENDENT DIRECTOR	APPOINTED 01 MARCH 2010
MS COLLETTE DINNIGAN	INDEPENDENT DIRECTOR	APPOINTED 01 MARCH 2010
MS DEETA COLVIN	INDEPENDENT DIRECTOR	APPOINTED 03 MAY 2010

Registered Office and Address for Service

Level 2
142 Broadway, Newmarket
Auckland 1023, New Zealand
Telephone : +64 9 520 7346
Facsimile : +64 9 526 2509
Website : www.ecoya.co.nz

Auditor

PricewaterhouseCoopers

Banker

Bank of New Zealand

Solicitors

Chapman Tripp

SHAREHOLDER INFORMATION

Company Publications

The Company informs investors of the Company's business and operations by issuing an Annual Report and an Interim Report.

Financial Calendar

Half year results announced .... November
Half year report .... December
End of financial year 31-March
Annual results announced .... May
Annual report .... June

Enquiries

Shareholders with enquiries about transactions or change of address should contact Computershare Investor Services on [+64 9 488 8777].
Other questions should be directed to the Company at the registered address.

Share Register

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, North Shore City 0622
Private Bag 92 119, Auckland 1142, New Zealand
Telephone : +64 9 488 8777
Facsimile : +64 9 488 8787

Stock Exchange

The Company's shares and warrants trade on the NZSX market operated by NZX Limited under the codes ECO, ECOWA and ECOWB.