



MOWBRAY
COLLECTABLES

MOWBRAY COLLECTABLES GROUP ANNUAL REPORT

2009



THE SALES IN TWO CITIES

With apologies to Charles Dickens for abusing the title of his famous novel *The Tale of Two Cities*, we relate two interesting anecdotes about two philatelic sales in two different cities. Unlike in Dickens' novel these sales took place in Sydney and in New York.

In 1849 France issued its first postage stamps following Great Britain (in 1840) and Brazil (in 1847). New Zealand's first stamps were not issued until 1855.

It was the best of times, it was the worst of times ... the opening line of the 1859 novel *A Tale of Two Cities* by Charles Dickens; which was set in London and Paris before and during the French Revolution in 1789. It depicted the plight of the French proletariat under the brutal oppression of the French aristocracy in the years leading up to the revolution, and the corresponding savage brutality demonstrated by the revolutionaries toward the former aristocrats in the early years of the revolution.

Joseph-Michel Montgolfier and Jacques-Étienne Montgolfier were the inventors of the montgolfière style hot air balloon, globe aérostatique or airship. The balloon was tested in tethered flights on 15 October by Pilâtre de Rozier, a twenty-six-year-old physician, who offered his services and on 21 November 1783 the first free flight by humans was made by Pilâtre, together with an army officer. Their invention was put to good use almost 90 years later.

On 19 July 1870 France declared war against Prussia. The Prussian armies invaded France and subsequently won the battle of Sedan on 4 September. By 19 September the French capital was cut off from the world but only by land. The Siege of Paris lasted from 19 September 1870 to 28 January 1871.

Parisians were desperate to get mail out of the city and their families and business associates were keen to get mail in. Various methods were tried, including the use of pigeons and hiding letters in sacks of rice whilst inwards mail was floated down the river Seine in boules de moulins, though none reached Paris until after the siege.

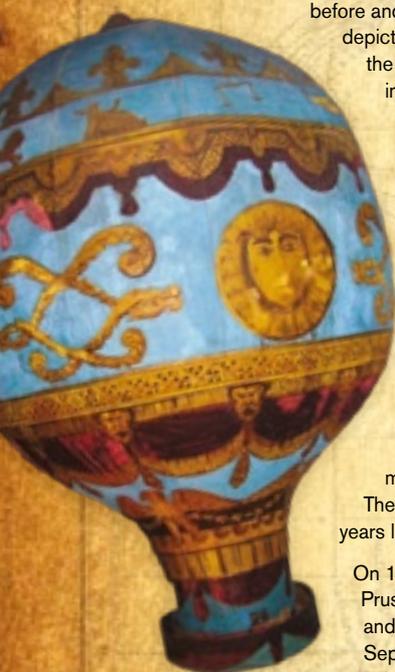
Manned hot air balloons could and did carry much mail, which had to be, annotated *Par Ballon Monté*. The balloons were non navigable as they were subject to the vagaries of the winds and several such balloon flights were unsuccessful because they landed either in the North Sea or amongst the Prussian forces.

On 23 September 1870 the first hot air balloon rose into the sky and drifted towards its destination in unoccupied France – it had approximately 100 kg of letters and parcels on board. In one famous instance the Ville d'Orleans left Paris on 24 November 1870 carrying almost 250 kg of mail and was aloft for 14 hours and 45 minutes before finally landing in Norway; a distance of almost 1300 kilometres! Once the balloons landed the mail was offloaded and was then delivered by normal methods.

On a late summer's afternoon in Sydney a remarkable sale occurred in the Sydney offices of Mowbrays Australia. Managing director John Mowbray saw Mowbrays Australia achieve a record Australasian price for a philatelic item of NZ\$238,625, at their Sydney auction for an 1870 Siege of Paris ballon monté cover mailed from France to Australia. This envelope had a pre sale estimate of AU\$50,000 and is an example of the world's first airmail - only one Paris balloon post cover addressed to Australia is known.

1 October 1870 ballon monté cover carried on the Armand Barbes, which coincidentally, took Leon Gambetta, Minister of the Interior, out of Paris to establish the Government of National Defence at Tours. The cover was addressed to L. Lamy and Co who were importers of French millenary goods in Pitt Street Sydney. Cover was datestamped Paris R. D'Amsterdam 1 Oct 1870 and backstamped Marseilles - 11 Oct 70, Sydney - NSW - Dec 23 1870. The Sydney postmark indicated that the letter reached Australia on 23 December 1870 by the RMS Rangoon, which arrived with European mail on 23 December 1870. This was the only cover sent out of Paris by Balloon Post during the Paris Siege to Australia.

It appears that this unique historical item caught the attention of famous French philatelist and President, Nicolas Sarkozy who requested a catalogue. The well-known French dealer, Pascal Behr, flew directly from Paris and successfully bid against strong Australian competition to obtain the item.



ANNUAL REPORT & FINANCIAL STATEMENTS

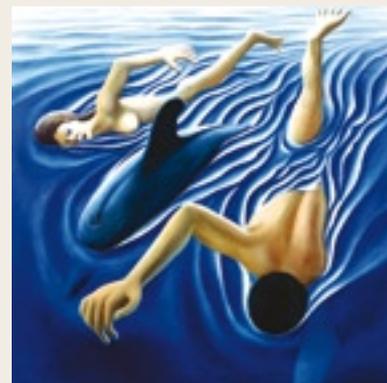
The directors are pleased to present the Annual Report, Financial Statements and Group Financial Statements of Mowbray Collectables Limited for the year ended 31 March 2009.



Murray Radford - Director
23 June 2009



John Mowbray - Director



Michael Smither
Dolphin and Lovers. Oil on canvas.
Sold for \$80,000. April, 2008
Peter Webb Galleries Ltd.

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Horace Moore-Jones
Simpson and His Donkey. Watercolour
Sold for \$110,000. April, 2008.
Peter Webb Galleries Ltd.



Don Binney
Fat Bird. Oil on board.
Sold for \$70,000. June, 2008
Peter Webb Galleries Ltd.

Front Cover
Envelope sold for \$238,000 by
Mowbrays Australia, March 2009. An
Australasian record for a philatelic item.

DIRECTORS' REPORT

The directors present to the shareholders the ninth annual report of the Mowbray Collectables Ltd group. This report covers the activities of the group for the year ended 31 March 2009.

FINANCIAL RESULTS

	Notes	GROUP	
		2009	2008
		\$	\$
Operating Revenue	1	4,068,592	4,731,786
Surplus / (deficit) before interest, taxation, depreciation, amortisation and share of associates net surplus / (deficit)		(188,175)	392,778
Depreciation	8	26,274	33,107
Amortisation	10	708	387
Surplus / (deficit) before interest, taxation, and share of associates net surplus / (deficit)		(215,157)	359,284
Interest income	1	22,882	22,963
Interest expense		(69,219)	(60,376)
Surplus / (deficit) before taxation, and share of associates net surplus / (deficit)		(261,494)	321,871
Share of associates net surplus / (deficit)	6	(33,005)	24,348
Surplus / (deficit) before income tax		(294,499)	346,219
Taxation (expense)	3	77,716	(112,013)
Net surplus / (deficit) after taxation		(216,783)	234,206

DIVIDEND

For the current year the directors have decided not to declare a dividend.

IFRS – INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounts have been measured under the IFRS standards for the second financial year. All group companies have been assessed for impairment of goodwill under IFRS with the result that no impairment of goodwill is recognised in the 2009 year result.

The IFRS review, analysis and audit of each of the cash generating units have once again been robust and confirm our confidence in the profitability of the core businesses of the group.

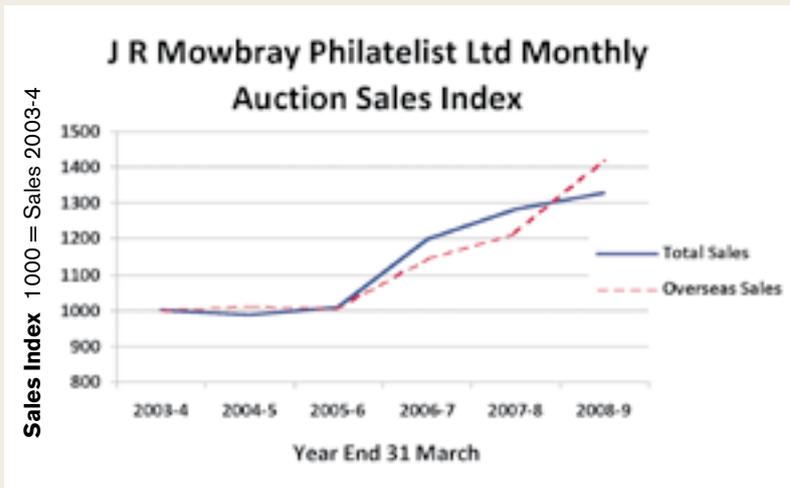
TRADING

J R MOWBRAY (PHILATELIST)

The principal business is our monthly stamp auctions, which continued improving on the sales levels of the past two years. Overseas sales recorded good growth despite the global economic crisis and fluctuations in the New Zealand dollar. This trend has continued into the first quarter of the New Year. During the year we increased our staffing resources in the assessment area.

We have relocated and improved our bulk storage facilities in Otaki, which gives better security of our valuable inventory. Given the significant acquisitions made in the past three years we hold good stocks to generate increased sales in the years ahead. We believe the inventory is conservatively valued at cost (on unprocessed purchases) or 30% of auction estimate (on processed purchases) giving a total stock value of \$1.39 million.

After 35 years of conducting monthly postal auctions, the market remains very strong, with 8 of the 10 best auctions over that period occurring in the past twelve months. We are consistently achieving 65% of our sales as exports, approaching \$1 million per annum and expect continued steady growth from this division despite the world financial crisis.



J R Mowbray Philatelist Monthly Auction sales Growth 2003-4: 2008-9
Index 1000 = Auction Sales 2003-4

JOHN MOWBRAY INTERNATIONAL

The 16th stamp auction and 6th coin auction in October 2008 realised \$929,205.

Unlike the previous financial year we had only the one international auction. We did however have two successful private treaty catalogue sales, which continue through into the new financial year.

The sourcing and preparation of this annual international auction is a year-long process and we are once again confident of a significant sale later this year in Wellington on November 6 & 7.



1931 Blue Boy Health Stamp first Day cover. Auction October 2008 Lot 781
John Mowbray International
Sold for NZ\$1600



2004 New Zealand Post 40c Stamp Stuffed Kiwi. Produced for the New Zealand Arts Festival 2004
J R Mowbray Philatelist
Sold at postal auction November 2008 for NZ\$2600



National Bank of New Zealand
One Pound Note 1st Jan 1918
Auction October 2008 Lot 178
House of Stamps
Sold for NZ\$3974



1905 Five Shillings Postal Note
Issued 13 June 1905
Auction October 2008 lot 256
House of Stamps
Sold for NZ4535



Belle Ile en Mer 1904
John Russell (1858-1930)
Oil on canvas
Bonhams & Goodman Auction
August 2008, Melbourne
Sold for A\$1,560,000



1962 Lotus 125 Formula 1 Racing
Single Seater
The ex – Jim Clark, Richard
Attwood 1963 Formula 1 World
Championship- winning
Bonhams & Goodman Auction
November 2008, Sydney
Sold for A\$1,525,500

WORLD WIDE FUND FOR NATURE STAMP PROGRAM (NZ)

The results achieved for the program in New Zealand were consistent with the previous year.

WILDLIFE PHILATELIC COLLECTIONS PTY LTD

This was another excellent year for the WWF stamp program in Australia. Product costs were influenced by currency fluctuations with the Swiss franc strengthening.

The domestic recession in Australia was being reflected in sales toward the end of the financial year although this appears to have stabilised. A new marketing initiative with Australia Post commenced in late May 2009. The business is managed under contract by Andrew Pitt (Barlow International Pty Ltd).

HOUSE OF STAMPS

Manager, Malcolm Turner, has ensured another very consistent and successful year of trading by House of Stamps. Product sales of the agencies we have such as Davo, Stanley Gibbons and Prinz are being maintained.

In recent years we have introduced coins and bank notes into both the annual John Mowbray International auction and the monthly auctions. We anticipate further growth in this sector, replacing other product lines that are no longer showing growth.

MOWBRAYS AUSTRALIA PTY LTD

As we reported at the half-year, the company under-performed and that had a significant impact on the group interim profit.

With very poor auction results being achieved in the Melbourne office, the directors undertook significant rationalisation of operations.

All the Australian auction activity has now been centralised in Sydney, which has consistently generated moderate profits. Sourcing of auction product has also been rationalised and concentrated into the more successful regions.

The single city auction policy was implemented in the Sydney March 2009 auction, which attracted an Australasian record price for a philatelic item (see front cover). Staffing in Melbourne has been reduced accordingly and provides logistics, cataloguing and accounting support for the Mowbrays Australia operation. There have and will be further economies made in the area of direct auction costs and accommodation.

The fourth quarter break even was nearly achieved, reflecting the impact of the restructure and the changes made.

PETER WEBB GALLERIES LTD (49% OWNED)

While Peter Webb Galleries had traded profitability for the half year, the results in the second half reflected the depressed art market and increased competitive activity. Post balance date auction activity has been encouraging.

There has been rationalisation in both logistics and operational activities under the direction of new Managing Director, Neil Campbell.

BONHAMS & GOODMAN (20% OWNED)

The weakening international art market influenced the December quarter of Bonhams & Goodman. This resulted in a profit that was below budget expectations. The acquisition of Leonard Joel's auction business in Melbourne has added another dimension to the Bonhams & Goodman Melbourne operations – the two businesses complementing each other. Leonard Joel has traded as a subsidiary since 1 July 2008.

Like Peter Webb Galleries, Bonhams & Goodman has experienced some consolidation of the art market in recent months, whilst retaining market share.

Generally the market activity is significantly below the activity experienced 12-18 months ago. However, the departure of the Christies auction house and vigorous marketing has meant that Bonhams & Goodman have grown to become the number one auction house in Australia. We are now looking forward to consolidation of this position and to seeing some financial rewards by way of dividends.

STAFF

The dedication and energy of staff has been exceptional over a period of considerable volatility and uncertainty in all markets. The directors have appreciated their total commitment over the past year.

CORPORATE GOVERNANCE

The Board of Directors of Mowbray Collectables Ltd is elected by shareholders to represent all of the company's shareholders. It is the Board's responsibility to establish the strategic direction and objectives of Mowbray Collectables Ltd and to supervise and direct the management of the business and affairs of the company. The Board currently comprises two executive directors John Mowbray and David Heather, and two non-executive directors, Murray Radford and Ian Halsted. The Board has determined that the non-executive directors are Independent Directors as defined in the NZX Listing Rules.

The Board of Directors delegates to the managing director (John Mowbray) the day-to-day management of the business and affairs of the company.

The Board has adopted a Corporate Governance Code and has constituted an Audit, Nominations and Remuneration Committee of the non-executive directors.

At each annual meeting one director, by rotation, must retire. This year Murray Radford retires and offers himself for re-election.

During the year all directors attended each directors' meeting. The share holdings and dealings of the directors are detailed on page 32.

OUTLOOK

As we predicted at the half-year the extreme volatility in many global markets made forecasting difficult. The very disappointing results from Mowbrays Australia and the reduced activity in the art and fine art auctions markets in Australasia resulted in a modest deficit for the year.

The core business units will continue to trade profitably, based on results for the first two months of the current financial year. We expect both Peter Webb Galleries Ltd and Bonhams & Goodman to contribute positively in the coming year. Bonhams & Goodman is capable of good results following consolidation after a period of very rapid growth.

Mowbrays Australia is being closely monitored to ensure the restructuring undertaken generates the expected result.

Our overall debt position is low with only \$182,365 of non-current debt.

The directors look forward to the resumption of fully-imputed dividends once positive results are achieved. Whilst we continue to explore further acquisitions, it is recognised our priorities are the successful performance of our acquisitions to date.



Murray Radford
Chairman



John Mowbray
Managing Director

23 June 2009

MOWBRAY COLLECTABLES LIMITED

INCOME STATEMENT

for the year ended 31 March 2009

	Notes	CONSOLIDATED		PARENT	
		Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
		\$	\$	\$	\$
Operating revenue	1	4,068,592	4,731,786	298,457	191,313
Changes in inventory		(65,508)	53,626	-	-
Purchases		(770,438)	(901,984)	-	-
Employee benefits and expense		(1,306,846)	(1,341,245)	(243,849)	(232,937)
Office consumables		(420,106)	(553,277)	(6,433)	(6,017)
Promotional expenses		(291,453)	(324,807)	(5,197)	(7,588)
Other expenses		(1,402,416)	(1,271,321)	(285,186)	(286,606)
Surplus / (deficit) before interest, taxation, depreciation, amortisation and share of associates net surplus / (deficit)		(188,175)	392,778	(242,208)	(341,835)
Depreciation	8	26,274	33,107	-	123
Amortisation	10	708	387	-	-
Surplus / (deficit) before interest, share of associates net surplus and taxation		(215,157)	359,284	(242,208)	(341,958)
Interest income	1	22,882	22,963	173,414	159,300
Interest expense		(69,219)	(60,376)	(35,342)	(28,232)
Surplus / (deficit) before share of associates net surplus and taxation		(261,494)	321,871	(104,136)	(210,890)
Share of associates' net surplus (deficit)	6	(33,005)	24,348	(69,418)	1,323
Surplus / (deficit) before taxation		(294,499)	346,219	(173,554)	(209,567)
Taxation (expense)/benefit	3	77,716	(112,013)	5,231	1,271
Net surplus / (deficit) after taxation		(216,783)	234,206	(168,322)	(208,296)
Earnings per share:					
Basic (cents per share)	16	(2.0)	2.2		

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

MOWBRAY COLLECTABLES LIMITED

STATEMENT OF MOVEMENTS IN EQUITY

for the year ended 31 March 2009

	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008*
Notes	\$	\$	\$	\$
Equity at beginning of year	4,338,671	4,362,990	3,191,480	3,673,422
Recognised revenues and expenses				
Surplus / (deficit) after taxation	(216,783)	234,206	(168,322)	(208,296)
Movement in foreign currency translation reserve	13 62,836	15,121	-	-
Total recognised revenues and expenses	(153,947)	249,327	(168,322)	(208,296)
Distributions to shareholders	-	(273,646)	-	(273,646)
Equity at end of year	4,184,724	4,338,671	3,023,158	3,191,480

* Prior period comparative numbers have been adjusted due to a write off of a previously recorded inter-company balance to a dormant subsidiary.

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

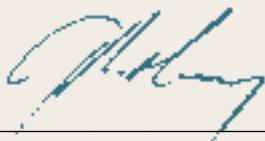
MOWBRAY COLLECTABLES LIMITED

BALANCE SHEET

as at 31 March 2009

	Notes	CONSOLIDATED		PARENT	
		Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008*
		\$	\$	\$	\$
EQUITY					
Share capital	12	5,582,099	5,582,099	5,582,099	5,582,099
Accumulated surplus / (deficit)	14	(1,421,307)	(1,204,524)	(2,558,941)	(2,390,619)
Foreign currency translation reserve	13	23,932	(38,904)	-	-
Total Equity		4,184,724	4,338,671	3,023,158	3,191,480
Represented by:					
CURRENT ASSETS					
Cash & cash equivalents		81,260	459,066	(91,647)	(249,219)
Receivables & prepayments		1,097,415	1,121,371	6,071	5,781
Inventory	15	1,788,255	1,853,763	-	-
Total Current Assets		2,966,930	3,434,200	(85,576)	(243,438)
CURRENT LIABILITIES					
Trade creditors		1,235,572	1,587,701	14,314	23,602
Other payables & accruals	11	289,784	323,996	171,012	150,704
Taxation payable	3	(59,149)	23,155	(2,026)	(40,961)
Current portion of loan	17	294,308	117,613	165,275	-
Total Current Liabilities		1,760,515	2,052,465	348,575	133,345
WORKING CAPITAL		1,206,415	1,381,735	(434,151)	(376,783)
NON-CURRENT ASSETS					
Deferred tax	3	137,688	51,132	23,904	18,664
Property plant & equipment	8	99,130	114,260	-	151
Intangible assets	10	1,399	420	-	-
Goodwill	9	696,472	696,472	-	-
Investment		13,041	-	-	-
Investment in associates	6	2,163,100	2,196,105	1,244,037	1,313,455
Investment in subsidiaries	19	-	-	2,762,857	2,762,857
Related party receivables	5	49,844	92,127	(458,764)	(526,864)
Total Non-Current Assets		3,160,674	3,150,516	3,572,034	3,568,263
NON-CURRENT LIABILITIES					
Non-current portion of loan	17	182,365	193,580	114,725	-
Total Non-Current Liabilities		182,365	193,580	114,725	-
NET ASSETS		4,184,724	4,338,671	3,023,158	3,191,480

For and on behalf of Board of Directors



J R Mowbray - MANAGING DIRECTOR



M C Radford - CHAIRMAN

23 June 2009

* Prior period comparative numbers have been adjusted due to a write off of a previously recorded inter-company balance to a dormant subsidiary.

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

MOWBRAY COLLECTABLES LIMITED

CASH FLOW STATEMENT

for the year ended 31 March 2009

	Notes	CONSOLIDATED		PARENT	
		Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from (applied to)					
Receipts from customers		4,125,645	4,404,042	(291)	-
Interest received		22,882	22,963	5,238	6,270
Other revenue		61,498	-	4,799	-
Dividends received		900	-	-	-
Payments to suppliers		(3,287,444)	(2,273,301)	(290,444)	(271,933)
Payments to employees		(1,306,846)	(1,339,414)	(243,849)	(227,706)
Interest paid		(69,219)	(60,376)	(35,342)	(28,232)
Taxation paid		(91,144)	(87,980)	38,927	(31,572)
Net cash flow from operating activities	21	(543,728)	665,934	(520,962)	(553,173)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from (applied to)					
Purchase of investments		(13,041)	-	-	-
Purchase of plant & equipment		(13,375)	(31,475)	-	-
Net cash flows from investing activities		(26,416)	(31,475)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided from (applied to)					
Dividend (paid)		-	(273,646)	-	(273,646)
Loans received / (repaid)		165,480	(130,948)	678,534	562,009
Net cash flow from financing activities		165,480	(404,594)	678,534	288,363
Net increase / (decrease) in cash held		(404,664)	229,865	157,572	(264,810)
Cash & cash equivalents at beginning of year		459,066	214,080	(249,219)	15,591
Effect of exchange rate change on foreign currency balance	13	26,858	15,121	-	-
Cash & cash equivalents at end of year		81,260	459,066	(91,647)	(249,219)
Comprising:					
Cash at bank - New Zealand		(47,481)	(111,509)	(91,951)	(249,523)
- Australia		128,741	570,575	304	304
		81,260	459,066	(91,647)	(249,219)

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

MOWBRAY COLLECTABLES LIMITED

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 March 2009

STATEMENT OF COMPLIANCE

The Financial Statements have been prepared in accordance with the Companies Act 1993 and the Financial Reporting Act 1993 and Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial reporting Standards (NZ IFRS) and other applicable reporting standards as appropriate for profit-oriented entities.

Compliance with NZ IFRS ensures the consolidated financial statements comply with International Financial Reporting Standards ('IFRS'). The parent entity financial statements also comply with IFRS.

The following NZ IFRS Standards have been issued but have not been adopted in these financial statements: NZ IFRS 8 – Operating Segments, NZ IAS 1 – Presentation of Financial Statements (revised 2007) and NZ IAS 23 – Borrowing Costs (revised 2007). These standards are mandatory for periods beginning on or after 1 January 2009 and will be adopted for the year ending 31 March 2010. The changes upon adoption of these standards are expected to be minimal and will primarily affect presentation.

REPORTING ENTITY & PERIOD

For the results for the year ended 31 March 2009 the Mowbray Collectables Limited Group comprises the following entities:

- Mowbray Collectables Limited (Parent)
- Mowbray Bethunes Limited
- World Wide Fund for Nature Stamp Program (New Zealand Agency)
- Auction Investments Limited
- Mowbrays Australia Pty Limited
- Wildlife Philatelic Collections Pty Limited

BASIS OF PREPARATION

The accounting principles recognised as appropriate for the measurement and reporting of financial position on a historical cost basis are followed by the group.

CRITICAL JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

In the application of NZ IFRS Mowbray Collectables Limited is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period. If the revision affects current and future periods, it is reflected in those periods.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Any judgements made by Mowbray Collectables Limited in application of NZ IFRS that are considered to have significant effects on the financial statements and estimates with a significant risk of material adjustment in the year are disclosed, when applicable, in the relevant notes to the financial statements.

Mowbrays Australia has recorded a significant loss this year. In accordance with the accounting policy, the Board has assessed the recoverable amount to determine whether there has been any impairment of its investments.

The Board has taken action to address the problem areas and the business is budgeting a return to profitability in the coming year. The key budget assumptions include a reduced head count, which has already been achieved, and a small growth in Sydney sales revenue as a result of transferring all of the Melbourne auction activities. The achievement of this revenue is dependent on there being no significant deterioration in trading conditions.

MOWBRAY COLLECTABLES LIMITED

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 March 2009

SPECIFIC ACCOUNTING POLICIES

The specific accounting policies used in the preparation of the Financial Statements are as follows:

(a) Comparative Amounts

Comparative information has been reclassified, where necessary, to achieve consistency in disclosure with the current year.

Prior period comparative numbers have been adjusted due to a write off of a previously recorded inter-company balance to a dormant subsidiary, Bethunes Rare Books Limited.

(b) Translation of Financial Statements of Foreign Operations

The consolidated financial statements are presented in New Zealand dollars, which is the company's functional and presentation currency.

Assets and liabilities of independent foreign operations are translated at the closing rate. Revenue and expense items are translated half yearly using the half yearly average exchange rate, as a surrogate for the spot rates at transaction dates. Exchange differences arising are taken to the foreign currency translation reserve and recognised in the Statement of Movements in Equity.

(c) Consolidation of Subsidiaries

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being Mowbray Collectables (the Company) and its subsidiaries as defined in NZ IAS-27: *Consolidated and Separate Financial Statements*. A list of subsidiaries is above. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such subsidiary.

In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the Group are eliminated in full.

(d) Revenue Recognition

Sale of Goods

Income from the sale of goods is recognised when the company and group has transferred to the buyer the significant risk and rewards of ownership of the goods.

Dividend Revenue

Dividend revenue from investments is recognised when the shareholders' rights to receive the payments have been established.

Interest Revenue

Interest revenue is recognised in the income statement when it is received and accrued.

Commission Income

Commission Income is recorded at the completion of an auction when Mowbray Collectables has completed the transaction and the buyer and seller have ownership and payment of the goods.

MOWBRAY COLLECTABLES LIMITED

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 March 2009

(e) Depreciation

Depreciation has been calculated using the following rates:

Leasehold improvements	6% - 48% DV
Plant and equipment	10% - 80% DV
Furniture & fittings	14% - 40% DV
Computer equipment	40% - 60% DV

Rates applied to existing assets have been applied consistently over the life of the assets.

Depreciation is calculated on a diminishing value basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

(f) Taxation

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

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

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

MOWBRAY COLLECTABLES LIMITED**STATEMENT OF ACCOUNTING POLICIES**

for the year ended 31 March 2009

(f) Taxation (cont.)

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(g) Equity Accounting of Associate Entities

Equity accounting has been applied in respect of associate entities. Associate entities are those entities in which the Company holds an interest in the equity and exercise significant influence but not control. These financial statements incorporate the Company's share of the associate entity's surplus or deficit, adjusted for goodwill and any additional depreciation in relation to the fair value of the associate entity's fixed assets. The Company's interest in the associate is carried at an amount which reflects fair value of the net assets at acquisition adjusted as above.

Dividends received from associates are recognised directly against the carrying value of the investment.

(h) Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into the reporting currency using the exchange rate in effect at the transaction date. Exchange differences on foreign currency balances are recognised in the Balance Sheet. Foreign Currency monetary items at reporting date are translated at the exchange rate existing at reporting date.

(i) Financial Instruments

Mowbray Collectables is party to financial instruments in the form of bank accounts, accounts receivable and accounts payable as part of its operations. These are recognised in the Balance Sheet and all revenue and expenses in relation to the financial instruments are recognised in the Income statement. The financial instruments are recorded at net cost less any provisions for doubtful debts.

(j) Receivables

Accounts receivable are recognised initially at fair value less provision for doubtful debt.

(k) Inventory

Inventory is valued at the lower of cost or 30% of the net realisable value. Cost is the acquisition cost for each item of inventory purchased.

MOWBRAY COLLECTABLES LIMITED**STATEMENT OF ACCOUNTING POLICIES**

for the year ended 31 March 2009

(l) Property, Plant & Equipment

Property, Plant and equipment are recorded at historical cost less depreciation to date.

Property, Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributed to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

(m) Intangible Assets

Intangible assets comprise software applications which have a finite useful life and are recorded at cost less accumulated amortisation and impairment. The following rate has been applied consistently over the life of the asset.

Software 48% - 60%

(n) Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset and tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the Income statement and is not subsequently reversed.

(o) Impairment of Assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. Any impairment of goodwill is not subsequently reversed.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses other than for goodwill, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(p) Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis. GST payable at balance date is included in current liabilities. Receivables and payables are disclosed inclusive of GST if applicable.

MOWBRAY COLLECTABLES LIMITED

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 March 2009

(q) Payables

Trade payables and other accounts payable are recognised when the company and group becomes obliged to make future payments resulting from the purchase of goods and services.

(r) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company and group in respect of services provided by employees up to reporting date.

(s) Loans

Loans are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the income statement over the period of the borrowing using the effective interest rate method.

(t) Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(u) Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Income statement.

Definitions of the terms used in the Statement of Cash Flows:

"*Cash & Cash Equivalents*" includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash and includes at call borrowings, such as bank overdrafts, used by the Company and the Group and those activities relating to the cost of servicing the Company's and the Group's equity capital.

"*Investing Activities*" are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

"*Financing Activities*" are those activities relating to changes in the equity and debt capital structure of the Company and the Group and those activities relating to the cost of servicing the Company's and the Group's equity capital.

"*Operating Activities*" include all transactions and other events that are not investing or financing activities.

(v) Investments

Investments are valued at historical cost. Impairments in the value of investments are written off to earnings as they arise.

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

1. Total Revenue	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
Turnover	2,654,773	2,621,772	-	-
Auction commission	1,352,398	2,034,023	-	-
Management fees from subsidiaries	28,077	-	77,417	95,313
Dividend received	900	-	221,040	96,000
Sundry revenue	32,444	75,991	-	-
Operating revenue	4,068,592	4,731,786	298,457	191,313
Interest income	22,882	22,963	173,414	159,300
	4,091,474	4,754,749	471,871	350,613

2. Surplus/(deficit) before Taxation	CONSOLIDATED		PARENT	
Included in the surplus/(deficit) before income tax are the following				
Expenses				
Audit fees	54,905	62,620	54,905	62,620
Bad debts	9,495	23,926	-	-
Directors' fees	38,000	35,672	38,000	35,672
Legal fees	7,663	5,041	6,130	2,862
Operating lease rental expenses	-	261,172	-	-
Cost of goods sold	835,946	848,619	-	-
Donations made	1,430	229	-	-

3. Income Tax	CONSOLIDATED		PARENT	
(a) <i>Income tax recognised in profit or loss</i>				
Income Tax (expense) / benefit				
Current tax (expense) / income	(8,842)	(111,133)	(8)	-
Deferred (tax) / income relating to the origination and reversal of temporary differences	86,558	(880)	5,240	1,271
Total tax (expense) / income	77,716	(112,013)	5,232	1,271
Profit / (Loss) from continuing operations	(261,494)	321,871	(104,136)	(210,890)
Taxation refund / (expense) calculated at 30% (2008: 33%)	78,448	(106,218)	31,241	69,593
Adjustment for difference in tax rate	-	3,142	-	-
Foreign Exchange Movement	1,992	(2,836)	-	-
Prior period adjustment	(1,290)	-	(8)	-
Non-assessable income	-	-	66,313	31,680
Non-deductible expenses	(1,435)	(3,996)	(67)	(620)
Group loss offsets	-	-	(92,246)	(97,515)
Adjustment for change in tax rate	-	(2,105)	-	(1,867)
Total tax (expense) / income	77,715	(112,013)	5,232	1,271

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2008: 33%) payable by New Zealand corporate entities on taxable profits under New Zealand tax law.

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

3. Income Tax (Cont.)	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
(b) <i>Current tax assets and liabilities</i>				
Current tax liability / (assets):				
Tax refund payable / (receivable)	(59,149)	23,155	(2,025)	(40,961)
(c) <i>Deferred tax balances</i>				
Deferred tax asset comprise:				
Temporary differences	137,688	51,132	23,904	18,664

Taxable and deductible temporary differences arise from the following:

	CONSOLIDATED 2009			
	Opening balance	Charged to income	Exchange differences	Closing balance
Gross deferred tax assets:				
Employee entitlements	170,439	283,670	4,857	458,966
Property, plant and equipment	-	-	-	-
	170,439	283,670	4,857	458,966

	CONSOLIDATED 2008			
	Opening balance	Charged to income	Exchange differences	Closing balance
Employee entitlements	165,927	2,449	2,063	170,439
Property, plant and equipment	1,429	10,089	(11,518)	-
	167,356	12,538	(9,455)	170,439

	PARENT 2009			
	Opening balance	Charged to income	Exchange differences	Closing balance
Gross deferred tax assets:				
Employee entitlements	62,214	17,467	-	79,681

	PARENT 2008			
	Opening balance	Charged to income	Exchange differences	Closing balance
Gross deferred tax assets:				
Employee entitlements	52,707	9,507	-	62,214

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

3. Income Tax (Cont.)	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
(d) <i>Imputation credit account balances</i>				
Balance at beginning of the year	55,267	106,663	14,758	69,582
Imputation credits attached to dividends received	386	-	108,871	47,283
Other credits	-	6,271	-	6,228
Imputation credits attached to dividends paid	-	(133,670)	-	(133,670)
Taxation paid	82,094	76,003	-	25,335
Taxation refunded	(4,353)	-	(4,353)	-
Other debits	-	-	(34,574)	-
Balance at end of the year	133,394	55,267	84,702	14,758

4. Remuneration of Auditors	CONSOLIDATED		PARENT	
Auditor of the parent entity				
Audit of the financial statements	54,905	62,620	54,905	62,620
Other non-audit services	-	-	-	-
	54,905	62,620	54,905	62,620

The auditor of Mowbray Collectables is PKF Martin Jarvie.

5. Related Parties

(a) Parent Entities

The Parent entity in the consolidated group is Mowbray Collectables Limited.

(b) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in the subsidiaries are disclosed in note 19 to the financial statements.

Equity interests in associates

Details of interests in associates are disclosed in note 6 to the financial statements.

(c) Transactions

All transactions between companies within the group were conducted on an arm's length basis.

Parent company income received from its subsidiaries totalled \$84,436 (2008: \$95,312) and comprised of management fees charged to Bonhams and Goodman (\$35,097), Wildlife Philatelic Collections Pty Limited (\$33,438), and Mowbrays Australia Pty Limited (\$15,901). Interest was charged between Mowbray Collectables Limited and Auction Investments Limited \$168,176 (2008: \$153,030). A fully imputed dividend was paid from Mowbray Bethunes Limited to Mowbray Collectables Limited of \$329,911 (2008: \$143,284). There were no purchases from subsidiaries.

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

5. Related Parties cont.

During the year J.R. Mowbray Philatelist purchased stock from House of Stamps (\$4,319) and made sales to World Wide Fund for Nature Stamp Program (\$3,801) and Wildlife Philatelic Collection Pty Limited (\$12,092).

There are instances when directors and companies within the group buy items from auctions held by group companies. In all instances these transactions are conducted on an arms length basis and commission is paid in accordance with the terms and conditions of the auction. The commission amounts involved are not significant.

Andrew Pitt, a director of Wildlife Philatelic Collections Pty Limited, provides management services of \$14,607 (2008: \$13,855), and fulfilment services of \$90,299 (2008: \$85,610) to that company through Barlow International Pty Limited, on commercial terms negotiated with the managing director of Mowbray Collectables Limited. Wildlife Philatelic Collections Pty Limited also pays rent of \$24,650 (2008: \$22,230) to Barlow International Pty Limited.

Outstanding balances

Amounts outstanding between the company and related parties are:

	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
Mowbray Bethunes Limited	580	-	(1,546,475)	(1,325,464)
World Wide Fund for Nature Stamp Program	-	-	(100,610)	(86,321)
Mowbrays Australia Pty Limited	33,844	-	(116,236)	(274,974)
Wildlife Philatelic Collections Pty Limited	-	-	(716,430)	(567,947)
Auction Investments Limited	-	-	1,867,356	1,699,180
First East Auction Holdings Pty Limited	10,670	49,723	10,670	49,723
Agencies	11,769	42,404	(71,061)	(21,061)
	56,863	92,127	(672,786)	(526,864)

- The related party receivables/payables in the Parent Balance Sheet have no fixed terms of settlement. They are repayable/receivable on demand but are not expected to be settled within the next 12 months.
- The related party receivables in the Consolidated Balance Sheet are receivables in respect of agencies held by the Group.
- The Group holds three agency agreements with Tokelau Philatelic Bureau (Tokelau), Children's Health Camp (CHC) and New Zealand Post (NZ Post) respectively.
- The Group is entitled to a share of the profits derived under their agency agreements with Tokelau and CHC. In addition the Group charges management fees for administering these arrangements. The Group recognises the management fees and profit share under these arrangements in these financial statements.
- The Group has an agreement to supply, at a reduced rate, chapters and albums to NZ Post. Under the agreement, the Group receives a share of the profits from sales made by NZ Post. The sales to NZ Post and the Group's profit share are recognised in these financial statements.
- The National Bank has provided a guarantee of \$75,000 to New Zealand Exchange Limited on behalf of the Group. The bank holds a personal guarantee from John Mowbray to cover this obligation.
- The premises in Otaki that are used by the Group are owned by or leased from entities associated with John Mowbray. Rent was set by an independent valuer. Leases were signed by the directors on 18 December 2000.

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

5. Related Parties cont.	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
Rent paid was	92,605	59,192	-	-

6. Investments in Associates		CONSOLIDATED		PARENT	
		Ownership and Voting Interest		Carrying Amount	
Name of Company	Principal Activities	2009	2008	2009	2008
		\$	\$	\$	\$
Peter Webb Galleries Limited	NZ auctioneer	49	49	1,244,037	1,313,455
First East Auction Holdings Pty Limited	Australian auctioneer	20	20	919,063	882,650
				2,163,100	2,196,105

The reporting date of Peter Webb Galleries Limited is 31 March, and the group's share of the results of operations for the year ended on that date has been included in the consolidated financial statements. Peter Webb Galleries Limited is incorporated in New Zealand.

The reporting date of First East Auction Holdings Pty Limited is 31 December. First East Auction Holdings Pty Limited is incorporated in Australia and trades as Bonhams & Goodman and the group's share of the results of operations for the year ended 31 March have been included in the consolidated financial statements.

Carrying amount of Investment in Associates

	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
Carrying amount at beginning of year	2,196,105	2,171,757	1,313,455	1,312,132
Share of net surplus/(deficit)	(33,005)	24,348	(69,418)	1,323
Carrying amount at end of year	2,163,100	2,196,105	1,244,037	1,313,455
Goodwill in the carrying amount in associates	1,976,091	1,976,091	894,227	894,227

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

7. Summarised financial information of associates:	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
Current assets	4,262,655	2,218,222	2,109,812	1,848,014
Non-current assets	6,122,552	2,193,056	348,262	386,080
Current liabilities	6,269,978	3,158,410	1,744,520	1,352,032
Non-current liabilities	2,614,696	225,244	-	26,838
Net assets	1,500,534	1,027,624	713,555	855,224
Revenue	14,859,286	11,885,813	2,825,791	3,116,676
Net Profit	(28,915)	117,827	(141,670)	2,700

8. Property, Plant & Equipment	CONSOLIDATED				
	Leasehold improvement	Office furniture & equipment	Plant and equipment	Computer equipment	Total
		\$	\$	\$	\$
Gross carrying amount					
Balance at 1 April 2007	48,209	148,860	166,680	35,027	398,776
Additions	15,591	4,287	14,521	-	34,399
Balance at 31 March 2008	63,800	153,147	181,201	35,027	433,175
Additions	-	582	7,151	3,955	11,688
Balance at 31 March 2009	63,800	153,729	188,352	38,982	444,863
Accumulated depreciation/ amortisation and impairment					
Balance at 1 April 2007	16,799	106,193	130,079	29,811	282,882
Depreciation expense	12,453	5,723	12,018	2,913	33,107
Foreign currency exchange difference	-	1,718	1,208	-	2,926
Balance at 31 March 2008	29,252	113,634	143,305	32,724	318,915
Depreciation expense	7,374	5,162	12,473	1,265	26,274
Foreign currency exchange dif.	-	(1,338)	(989)	-	(2,327)
Loss on sale of fixed assets	828	221	1,413	409	2,871
Balance at 31 March 2009	37,454	117,679	156,202	34,398	345,733
Net book value					
As at 31 March 2008	34,548	39,513	37,896	2,303	114,260
As at 31 March 2009	26,346	36,050	32,150	4,584	99,130

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

8. Property, Plant & Equipment (Cont.)	PARENT	
	Computer equipment	Total
	\$	\$
Gross carrying amount		
Balance at 1 April 2007	5,533	5,533
Additions	-	-
Balance at 31 March 2008	5,533	5,533
Additions	-	-
Balance at 31 March 2009	5,533	5,533
Accumulated depreciation/ amortisation and impairment		
Balance at 1 April 2007	5,259	5,259
Depreciation expense	123	123
Balance at 31 March 2008	5,382	5,382
Depreciation expense	-	-
Loss on sale of fixed assets	151	151
Balance at 31 March 2009	5,533	5,533
Net book value		
As at 31 March 2008	151	151
As at 31 March 2009	-	-

9. Goodwill	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
Gross carrying amount				
Balance at beginning of year	696,472	696,472		
Other	-	-	-	-
Balance at end of year	696,472	696,472		
Accumulated impairment losses				
Balance at beginning of year	-	-		
Impairment losses for the year	-	-	-	-
Balance at end of year		-	-	-
Net book value				
At the beginning of the year	696,472	696,472		-
At the end of the year	696,472	696,472	-	-

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

9. Goodwill cont.**Allocation of goodwill to cash-generating units**

Goodwill has been allocated for impairment testing purposes to 5 individual cash generating units as follows:

Individual cash-generating units:

- J R Mowbray Philatelist
- John Mowbray International
- House of Stamps
- Wildlife Philatelic Collections Pty Limited
- World Wide Fund for Nature Stamp Program

The carrying amount of goodwill allocated to cash-generating units that are significant individually or in aggregate is as follows:

	CONSOLIDATED	
	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$
J R Mowbray Philatelist	240,393	240,393
John Mowbray International	61,429	61,429
House of Stamps	63,550	63,550
Wildlife Philatelic Collections Pty Limited	314,070	314,070
World Wide Fund for Nature Stamp Program	17,030	17,030
	696,472	696,472

Description of cash generating unit**J R Mowbray Philatelist**

This division is the main income generating unit of the New Zealand divisions and has demonstrated consistent and significant profits since the company was floated in 2000. The sales trends over the past four years have recorded approximately 7% growth per annum and the sales mix of both international and New Zealand domestic customers has been maintained. The influence of international currency fluctuations has been insignificant. The recoverable amount has been determined based on the value in use calculation, which uses cash flow projections based on financial budgets approved by the directors covering a four-year period and discount rate of 10.5%.

John Mowbray International

This division is linked in its performance with the operations of J R Mowbray Philatelist. The auction and sales trends have been consistently good over a number of years and this has continued in 2009. The division does not purchase inventory and requires very little in the way of tangible fixed assets to operate. The recoverable amount has been determined based on the value in use calculation, which uses cash flow projections based on financial budgets approved by the directors covering a four-year period and discount rate of 10.5%.

House of Stamps

This division is also linked in its performance with the operations of J R Mowbray Philatelist, but with a different range of products. The staff also has to assist in the international auction activities. The recoverable amount has been determined based on the value in use calculation, which uses cash flow projections based on financial budgets approved by the directors covering a four-year period and discount rate of 11.0%.

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

9. Goodwill cont.

Wildlife Philatelic Collections Pty Limited

This is a standalone business operation in Australia which has developed and maintained a consistent earnings record over a number of years. Although it is a single product operation it does have sole rights to the sale and distribution of WWF stamps within Australia. The recoverable amount has been determined based on the value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a four-year period and discount rate of 10.75%.

World Wide Fund for Nature Stamp Program

The WWF stamp operation in New Zealand is significantly smaller than Australia. Although the division is self sufficient in product inventory, it does have the flexibility and strength in the alliance with WPC Australia. The recoverable amount has been determined based on the value in use calculation, which uses cash flow projections based on financial budgets approved by the directors covering a four-year period and discount rate of 13.00%.

10. Intangible Assets	CONSOLIDATED		PARENT	
		\$		\$
<i>Software</i>				
Gross carrying amount				
Balance at 1 April 2007		29,476		-
Balance at 31 March 2008		29,476		-
Additions		1,687		
Balance at 31 March 2009		31,163		
Accumulated amortisation and impairment				
Balance at 1 April 2007		28,669		-
Amortisation		387		-
Balance at 31 March 2008		29,056		-
Amortisation		708		
Balance at 31 March 2009		29,764		
Net book value				
As at 31 March 2008		420		-
As at 31 March 2009		1,399		

11. Other Payables and Accruals	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
Other payables and accruals	192,294	157,334	78,523	88,490
Employee entitlements	97,489	166,662	92,489	62,214
Total other payables and accruals	289,785	323,996	171,011	150,704

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

12. Share Capital	CONSOLIDATED & PARENT			
	Year Ended 31 March 2009		Year Ended 31 March 2008	
	Number	\$	Number	\$
Company and Group				
Ordinary Shares – fully paid				
Balance at beginning of year	10,855,523	5,582,099	10,855,523	5,582,099
Bonus issue of shares	-	-	-	-
Share capital at end of year	10,855,523	5,582,099	10,855,523	5,582,099

All shares are fully paid and have equal voting rights. All shares participate equally in any dividend distribution or any surplus on the winding up of the Company. The shares have no par value.

13. Foreign Currency Translation Reserve	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
Balance at beginning of year	(38,904)	(54,025)	-	-
Effect of exchange rate change on foreign currency balance	33,653	15,121	-	-
Arising on translation of independent foreign operations	29,183	-	-	-
Balance at end of year	23,932	(38,904)	-	-

14. Accumulated Surplus/(Deficit)	CONSOLIDATED		PARENT	
Balance at beginning of year	(1,204,524)	(1,165,084)	(2,390,619)	(1,908,677)
Dividend paid to shareholders	-	(273,646)	-	(273,646)
Surplus/(deficit) for period after taxation	(216,783)	234,206	(168,322)	(208,296)
Accumulated surplus/(deficit) at end of year	(1,421,307)	(1,204,524)	(2,558,941)	(2,390,619)

15. Inventory	CONSOLIDATED		PARENT	
Auction inventory	1,516,778	1,672,132	-	-
WWF Chapters on hand	271,477	181,631	-	-
Inventory in transit	-	-	-	-
Other	-	-	-	-
Total Inventory	1,788,255	1,853,763	-	-

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

16. Earnings per Share	CONSOLIDATED	
	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$
The earnings and weighted average number of ordinary shares are as follows:		
Earnings	(\$216,783)	\$ 234,206
Weighted average number of ordinary shares for the purpose of basic earnings per share	10,855,523	10,855,523
Earnings per share (cents)	(2.0)	2.2
Distributions to shareholders	-	\$ 273,646
Amount per share	-	\$0.03

17. Loans	CONSOLIDATED	
	Year Ended 31 March 2009	Year Ended 31 March 2008
J.R. Mowbray	180,000	-
Loan from National Bank	296,673	311,193
Repayable as follows:		
J.R. Mowbray	118,843	-
National Bank - 1003	46,432	-
National Bank - 1002	129,033	117,613
Current	294,308	117,613
J.R. Mowbray	61,157	-
National Bank - 1003	53,568	-
National Bank - 1002	67,640	193,580
Non current	182,365	193,580
Total	476,673	311,193

J.R. Mowbray

Repayment: \$10,000 per month

Interest Rate: 1% per month

National Bank - 1003

Repayment: \$4,321.10 per month

Interest Rate: 7.26% per annum

Security: First Priority General Agreement over all assets of Mowbray Collectables Ltd

National Bank - 1002

Repayment: \$11,779.72 per month

Interest Rate: 9.72%

Security: First Priority General Security Agreement over all assets of Mowbray Collectables Limited

18. Operating Lease Commitments	CONSOLIDATED	
	Year Ended 31 March 2009	Year Ended 31 March 2008
Commitments in respect of non-cancellable operating leases:		
Not later than one year	311,912	170,613
Later than one year and not later than two years	168,804	121,191
Later than two years and not later than five years	-	128,686
	480,716	420,490

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

19. Investment in Subsidiaries	Carrying Values		Principal Activities	Balance Date	Country of Incorporation
	2009	2008			
Subsidiaries owned at 31 March 2009	\$	\$	\$	\$	\$
Mowbray Bethunes Limited	1,151,220	1,151,220	Stamp, philatelic, rare book dealer, retailer & auctioneer	31 March	New Zealand
World Wide Fund for Nature Stamp Program (New Zealand Agency)	139,230	139,230	International stamp program agency	31 March	New Zealand
Wildlife Philatelic Collections Pty Limited	809,550	809,550	International stamp program agency	31 March	Australia
Mowbrays Australia Pty Limited	-	-	International stamp auctioneer	31 March	Australia
Auction Investments Limited	662,857	662,857	Holding company	31 March	New Zealand
	2,762,857	2,762,857			

The percentage holding in all subsidiaries at 31 March 2009 is 100% (2008: 100%).

20. Segmental Information	Total		New Zealand		Australia	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$	\$	\$
Revenue from external customers	3,552,997	4,731,786	2,605,865	2,161,038	947,132	2,570,748
Interest income	191,058	22,963	173,495	6,375	17,563	16,588
Interest expense	(69,219)	(60,376)	(69,219)	(60,376)	-	-
Surplus/(deficit) before income tax	(287,481)	346,219	(14,266)	241,463	(273,215)	104,756
Taxation	(77,716)	(112,013)	5,033	75,102	(82,749)	36,911
Surplus/(deficit) after taxation	(209,764)	234,206	(19,299)	166,361	(190,465)	67,845
Total Liabilities	2,002,028	2,246,045	771,534	1,013,222	1,230,494	1,232,823
Total Assets	6,186,752	6,584,716	3,851,683	5,050,389	2,335,069	1,534,327
Depreciation & amortisation	(26,982)	(33,494)	(14,462)	(22,801)	(12,520)	(10,693)
Other non-cash expenses	-	880	-	(1,197)	-	2,077
Acquisition of segment assets	-	34,399	-	19,501	-	14,898
Carrying value of investments accounted for using the equity method	2,163,100	2,196,105	1,244,037	1,313,455	919,063	882,650
Share of net profit/(loss) of associates accounted for under the equity method	(33,005)	24,348	(69,418)	1,323	36,413	23,025

The group operates in wholesaling and auctioneering which the directors consider to be one business industry segment, therefore only geographical segments are reported above. The group has applied NZ IAS 14 when preparing the segmental information.

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

21. Net Cash Flow from Operating Activities	CONSOLIDATED		PARENT	
	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2009	Year Ended 31 March 2008
	\$	\$	\$	\$
Reconciliation of Income statement Surplus/(deficit) with net cash flow from operating activities:				
Reported surplus/(deficit) after taxation	(216,783)	234,206	(168,322)	(208,296)
Non cash items:				
Depreciation	26,274	33,107	-	123
Amortisation	708	387	-	-
Deferred tax asset	(86,556)	880	(5,240)	(1,271)
Management Fees	-	-	(77,417)	(95,313)
Interest	-	-	(168,176)	(153,030)
Dividend received	-	-	(221,040)	(96,000)
Foreign Exchange	33,653	-	-	-
Associated share of net surplus/(deficit)	33,005	(24,348)	69,418	(1,323)
	7,084	10,026	(402,455)	(346,814)
Movements in working capital excluding movements relating to purchase of subsidiaries:				
(Increase)/decrease in inventories	65,508	(53,626)	-	-
(Increase)/decrease in receivables	66,239	(277,434)	(291)	(3,343)
Increase/(decrease) in payables	(352,129)	665,991	(9,288)	232
Increase/(decrease) in other payables & accruals	(34,214)	63,617	20,308	36,620
Increase/(decrease) in tax payable	(82,304)	23,154	38,936	(31,572)
	(336,899)	421,702	49,665	1,937
Movements in investment activities:				
Loss/(Gain) on Disposal of Fixed Assets	2,871	-	151	-
Net cash inflow/(outflow)	(543,727)	665,934	(520,962)	(553,173)

MOWBRAY COLLECTABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

22 Financial Instruments

The Group is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts receivable and trade creditors.

Fair Values

Cash, Receivables, Trade Creditors, Payables

The fair value of all financial instruments is equivalent to their carrying value disclosed in the Balance Sheet.

Currency Risk

The Group is exposed to foreign exchange risk as a result of offshore funding activities and transactions denominated in foreign currencies, arising from normal trading activities. The NZ dollar equivalent of the unhedged net assets of the Group's Australian subsidiaries at balance date was \$1,104,575 (2008: \$303,511)

The Directors do not consider it necessary to utilise financial derivatives to mitigate this risk.

Interest Rate Risk

The Group and Company have three loans incurring interest which are with the National Bank and J.R. Mowbray at a fixed interest rate. The Directors consider that they have very little exposure to interest rate risk.

Credit Risk

In the normal course of its business, the Group and Company incur credit risk from its counterparties. There is no significant concentration of credit risk.

In the normal course of its business, the Group and Company is exposed to little credit risk. Stock is only released on receipt of cleared funds. The Group's turnover was \$4,007,171 and there were \$9,495 of bad debts (0.24%). The Group's credit policies are regarded as conservative and fiscally prudent.

23 Subsequent Events

The Directors are not aware of any subsequent events requiring disclosure that have occurred since the year end.

24 Commitments for Capital Expenditure

There were no commitments for expenditure as at 31 March 2009 (2008: \$Nil)

25. Contingent Liabilities and Assets

There were no Contingent Liabilities or Contingent Assets at 31 March 2009 (2008: \$Nil)

PKF Martin Jarvie
Chartered Accountants



Audit Report

To the Shareholders of Mowbray Collectables Limited and subsidiaries

We have audited the financial report on pages 6 to 29. The financial report provides information about the past financial performance of the company and subsidiaries and its financial position as at 31 March 2009. This information is stated in accordance with the accounting policies set out on pages 10 to 15.

Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation of a financial report which gives a true and fair view of the financial position of the company and its subsidiaries as at 31 March 2009 and the results of their operations and cash flows for the year ended on that date.

Auditor's Responsibilities

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

Basis of Opinion

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

the significant estimates and judgements made by the directors in the preparation of the financial report; and whether the accounting policies are appropriate to the company's and subsidiaries' circumstances, consistently applied and adequately disclosed.

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

Other than in our capacity as auditor we have no relationship with, or interest in, the company and subsidiaries.

Unqualified Opinion

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

In our opinion:

proper accounting records have been kept by the company and subsidiaries as far as appears from our examination of those records; and

the financial report on pages 6 to 29:

complies with generally accepted accounting practice in New Zealand;

complies with International Financial Reporting Standards; and

gives a true and fair view of the financial position of Mowbray Collectables Limited and subsidiaries as at 31 March 2009 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 23 June 2009 and our unqualified opinion is expressed as at that date.

A handwritten signature in blue ink that reads 'PKF Martin Jarvie'.

PKF Martin Jarvie
Wellington

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Phone +64 4 472 7919 | Fax +64 4 473 4720
Email info@pkfnz.co.nz | www.pkfmartinjarvie.co.nz

PKF Martin Jarvie is an independent member of PKF International

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report of Mowbray Collectables Limited and subsidiaries for the year ended 31 March 2009 included on Mowbray Collectable's website. The board of directors is responsible for the maintenance and integrity of the website. We have not been engaged to report on the integrity of Mowbray Collectables website. We accept no responsibility for any changes that may have occurred to the financial report since it was initially presented on the website.

The audit report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If readers of this report are concerned with the inherent risks arising from the electronic data communication they should refer to the published hard copy of the audited financial report and related audit report dated 23 June 2009 to confirm the information included in the audited financial report presented on this website.

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

MOWBRAY COLLECTABLES LIMITED

STATUTORY AND SHAREHOLDER INFORMATION

for the year ended 31 March 2009

Incorporation

Mowbray Collectables Limited was incorporated on 22 February 2000 under the Companies Act 1993 with company number WN1015212.

Directors

J. R. Mowbray was appointed a director on 22 February 2000.

M. C. Radford was appointed a director on 9 March 2000.

I. J. Halsted was appointed a director on 16 March 2000.

D. K. Heather was appointed a director on 21 March 2006

Stock Exchange Listing

The Company's ordinary shares are listed on the New Zealand Stock Exchange with the security code "MOW".

Substantial Security Holders

The Company's register of substantial security holders, prepared in accordance with section 25 of the Securities Amendment Act 1988 recorded the following information as at 5 June 2009:

Name	Number of Voting Securities
J. R. Mowbray	4,765,060
J. I. Urquhart	1,294,050
New Zealand Central Securities Depository Ltd	675,593
R. A. Brierley	660,000

At 5 June 2009 the total issued voting securities was 10,855,523.

Largest Shareholders

The names of the 20 largest shareholders and their holdings as at 5 June 2009 were:

Name	Number of Shares Held	Percentage of Issued Shares
J. R. Mowbray	4,765,060	43.90
J. I. Urquhart	1,294,050	11.92
New Zealand Central Securities Depository Limited	675,593	6.22
Sir Ronald Brierley	660,000	6.08
S. M. Mowbray and R. A. Oldham	339,129	3.12
Forsyth Barr Custodians Limited	290,367	2.67
Rotorua Perpetual Capital Fund Limited	252,927	2.33
Hubbard Churcher Trust Management Limited	232,280	2.14
Sinclair Long Term Holdings Limited	156,750	1.44
M. C. Radford	120,000	1.11
Dagger Nominees Limited	83,466	0.77
Forsyth Barr Custodians Limited	78,259	0.72
J. H. Oakley	77,000	0.71
Carl Biggs	75,087	0.69
P. G. Gillespie, W. N. Gillespie, A. R. Short	70,000	0.64
Private Nominees Limited	52,729	0.49
FNZ Custodians Limited	51,562	0.47
PCS Investment Nominees Limited	50,600	0.47
R. J. Dunlop, J. M. Dunlop	50,000	0.46
Forsyth Barr Custodians Limited	46,000	0.42
	9,420,859	86.78%

The total shares on issue at 5 June 2009 were 10,855,523.

MOWBRAY COLLECTABLES LIMITED

STATUTORY AND SHAREHOLDER INFORMATION

for the year ended 31 March 2009

Spread of Shareholders

The spread of shareholders as at 5 June 2009 was:

Holding Range	No. of Holders	Total Shares	Percentage
1 - 1,000	19	13,015	0.12%
1,001 - 5,000	189	388,510	3.58%
5,001 - 10,000	42	292,977	2.70%
10,001 - 100,000	51	1,374,865	12.67%
100,001 - 5,000,000	10	8,786,156	80.94%
Total	311	10,855,523	100.00%

Directors' Relevant Interests

The equity securities in which each Director has a relevant interest at the balance date of the current financial year were:

	2009 No of Shares	2008 No of Shares
J. R. Mowbray		
Opening balance	4,815,060	4,843,560
Movements		
Bonus issue		-
Sale of shares	(50,000)	(28,500)
Closing balance	4,765,060	4,815,060
I. J. Halsted		
Opening balance	34,375	34,375
Movements		
Bonus issue		-
Sale of shares		-
Closing balance	34,375	34,375
M.C. Radford		
Opening balance	170,000	220,000
Movements		
Bonus issue		-
Sale of shares	(50,000)	(50,000)
Closing balance	120,000	170,000
D.K Heather		
Opening balance		-
Movements		
Bonus issue		-
Sale of shares		-
Closing balance	0	0

Note 1

In the 2009 year John Mowbray's shareholding decreased by 50,000 due to a sale of shares. In addition he has a beneficial interest of 49,500 shares.

Note 2

In the 2009 year Ian Halsted's shareholding did not change. In addition he has a beneficial interest in 126,500 shares.

Note 3

In the 2009 year Murray Radford's shareholding decreased by 50,000 shares due to a sale of shares.

Note 4

D.K Heather does not hold any shares.

MOWBRAY COLLECTABLES LIMITED

STATUTORY AND SHAREHOLDER INFORMATION

for the year ended 31 March 2009

Directors' Remuneration

Directors' remuneration during the year was M. C. Radford \$22,000 and I. J. Halsted \$16,000. J. R. Mowbray, as managing director, received a salary of \$150,000 and D.K Heather, as finance director, received a salary of \$95,000.

Employees' Remuneration

During the year the following numbers of employees received remuneration of at least NZ\$100,000.

	2009	2008
\$100,000 - \$110,000	-	-
\$110,001 - \$120,000	-	-
\$120,001 - \$130,000	-	-
\$130,001 - \$140,000	-	-
\$130,001 - \$150,000	-	1
Total	0	1

COMPANY PROFILE

NEW ZEALAND

1. J R MOWBRAY PHILATELIST

Private Bag 63000, Wellington 6140
Main Highway, Otaki. Telephone 06 364 8270

Dealers in stamps. Monthly postal auctions are held and catalogues posted to thousands of collectors worldwide. The company is a major buyer of collections internationally.

2. JOHN MOWBRAY INTERNATIONAL

Private Bag 63000, Wellington 6140
Main Highway, Otaki. Telephone 06 364 8270

We hold New Zealand's largest stamp auction annually, with an international clientele.

3. HOUSE OF STAMPS

Private Bag 63000, Wellington 6140
Main Highway, Otaki. Telephone 06 364 8270

Retail and wholesale mail order dealer in New Zealand stamps and philatelic accessories. Agents for various producers including Stanley Gibbons, Davo, Prinz, Scott.

4. WORLD WIDE FUND FOR NATURE STAMP PROGRAM

Private Bag 63000, Wellington 6140
Main Highway, Otaki. Telephone 06 364 8270

New Zealand agent for WWF stamps worldwide, selling by continuity programmes.

AUSTRALIA

5. MOWBRAYS AUSTRALIA PTY LTD

36 Clarence Street, Sydney. Phone 0061 2 9299 1300
422 Little Collins Street, Melbourne. Phone 0061 3 9670 0086

Auctioneers of stamps and coins. Four sales held by each office annually. The company operates under licence to Stanley Gibbons PLC of London.

6. WILDLIFE PHILATELIC COLLECTIONS PTY LTD

PO Box 107, Rosebery, Sydney.

Australian agent for the World Wide Fund for Nature Stamp Program, selling by continuity programmes.

INVESTMENTS

7. PETER WEBB GALLERIES LTD

18 Manukau Road, Newmarket, Auckland.

We own 49% of this business, New Zealand's premier art auction house.

8. BONHAMS & GOODMAN

7 Anderson Street, Double Bay, Sydney.
Offices also in Melbourne and Adelaide.

We own 20% of this business, Australia's largest auction house.

BOARD OF DIRECTORS

MURRAY RADFORD BCA, CA

CHAIRMAN

Murray is Chairman and a shareholder of the company, holding 120,000 shares. He is a director of a number of private companies. Previously Murray worked in stockbroking for approximately 20 years and was a member of the Stock Exchange for 13 years.

JOHN MOWBRAY BCA

MANAGING DIRECTOR

John is the largest shareholder of the company, holding 4,765,060 Since starting the business in 1963, John has made philately his career, specialising in the auctioning of stamps. He is past president of the New Zealand Stamp Dealers Association, and a past president of the International Federation of Stamp Dealer Associations (IFSDA). From 1989 -1995 he was a director of Stanley Gibbons PLC Ltd London.

John is currently a patron of Waikanae Rugby Club, Kapiti Philatelic Society, Chairman Horowhenua - Kapiti Rugby Union, a Director of the Hurricanes Rugby franchise, and recently appointed Chairman of the Mahara Gallery Trust.

IAN HALSTED

DIRECTOR

Ian is a director and shareholder in the company, holding a direct and indirect interest in 34,375 shares. He recently retired as Managing Director of Hedley Byrne NZ Ltd. Previous positions include director of Hallenstein Bros 1967-1989. Managing Director Hallenstein Glasson Ltd 1985-89, President of the Retailers Federation and president NZ Institute of Management, Otago Division. Ian was also a member of the Distribution Industry Advisory Group to Government.

DAVID HEATHER BCA

FINANCE DIRECTOR

David has previously worked in the transport sector as a director and Managing Director of Russell & Somers Wellington. He has also served in a number of voluntary appointments in the disability sector including as a trustee of the Royal NZ Foundation for the Blind and the Vision Education Agency of NZ.

DIRECTORS

John Reader Mowbray
54 Winara Avenue
Waikanae

Ian Jeffrey Halsted
19A Lucerne Road
Remuera
Auckland

Murray Charles Radford
10 B Central Terrace
Wellington

David Keith Heather
29 Hona Street
Waikanae

Communication Addresses

Postal: Private Bag 63000
Wellington 6140
Phone: (06) 364 8270
Fax: (06) 364 8252
mowbray.stamps@xtra.co.nz
www.mowbraycollectables.co.nz

Bankers

The National Bank
of New Zealand
Corporate Wellington

Auditors

PKF Martin Jarvie
Wellington

Accountants

BDO Spicers
Wellington

Solicitors

Johnson Lawrence
Wellington

Share Registrar

Link Market Services
P O Box 384
Ashburton

In the opposite season and hemisphere and a few weeks earlier where it was wintertime in New York - it was snowing at least past the 18th floor where the important Joseph Hackmey sale of New Zealand stamps was to be held, yet it was raining at street level! A February afternoon appointment saw Mowbray's managing director John Mowbray pay a 2-day flying visit to secure some of this country's philatelic gems. John was the only New Zealander present and had to fight hard against postal bidding and live telephone bidding to secure his lots. This New York sale of quality New Zealand material showed through with the realisations totalling over NZ\$4 million in one afternoon. Given the important nature of material offered in this sale it was amazing that John was the only New Zealander present.

John was successful with the acquisition of

an 1855 envelope, which was mailed from Auckland to Birmingham. The 13 August cover bore a pair of New Zealand's very first full face queen stamps. These stamps had been placed on sale about a month earlier throughout New Zealand. The cover was only one of three such known but it is believed that cover is the earliest recorded date of use of the 1d value.

Ironically, at the time of use and until March 1857 New Zealand's stamps could only be used to prepay mail within New Zealand. The 2d postage rate was for a ½ ounce colonial letter rate. The 6d manuscript marking reflected the ½ ounce letter rate to England. Only in 1859 could overseas mail be prepaid by New Zealand postage stamps.

In the snowy conditions John Mowbray successfully acquired this cover for NZ\$138,000 for a client.

