Just Water International Limited

Just Water International Limited

Half-year report

for the six months ended
31 December 2009

Directory

Directors

Sir Don McKinnon (Independent)
Chairman

Phil Dash (Non-Executive)

Tony Falkenstein (Executive)

Simone Iles (Independent)

Ian Malcolm (Non-Executive)

Executive management

Tony Falkenstein
Chief Executive Officer
Just Water International Limited

Jay Harraway
General Manager
Clearwater Filter Systems
(Aust) Pty Limited

Registered office and address for service

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New Zealand

Auditors

PricewaterhouseCoopers

JWI on the web

www.jwi.co.nz
www.justwater.co.nz
www.aquacool.co.nz
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Just Water New Zealand

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Just Water New Zealand is a division of Just Water International Limited and includes the Aqua-Cool brand.

Clearwater Filter Systems (Aust) Pty Limited

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Clearwater Filter Systems (Aust) Pty Limited is a subsidiary of Just Water International Limited through Just Water Limited Partnership

Bankers

Bank of New Zealand Limited
National Australia Bank Limited
Westpac Banking Corporation Limited

Solicitors

Harmos Horton Lusk
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Share registry

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Just Water International Limited and Group

Financial statements
for the six months ended 31 December 2009

First-half 2010 announcement

Just Water International Limited presents its half-year results for the six months to 31 December 2009.

Consolidated Income Statement			
	Current half-year NZ$'000	Up/(Down)%	Previous corresponding half-year NZ$'000
Revenue:	17,904	(1.4%)	18,152
EBITDA:	2,608	(45.6%)	4,797
EBIT:	(20)	(100.7%)	2,723
NPAT:	(721)	(154.0%)	1,336

Dividend: The directors have decided it would not be prudent to pay an interim dividend.

New Zealand			
	Current half-year NZ$'000	Up/(Down)%	Previous corresponding half-year NZ$'000
Revenue:	12,296	3.8%	11,849
EBITDA:	1,881	(50.1%)	3,767
EBIT:	65	(97.3%)	2,437
NPAT:	(544)	(135.4%)	1,538

We reported at the General Meeting in October 2009 as follows:

"There is no doubt that the implementation of the ERP system has had enormous impact on us and will continue to affect our results in the coming year – for the first quarter our revenue is slightly above budget, but profitability is down, which directly relates to the added costs as a result of this implementation. We continue to have discussions with our supplier and believe that we have a solution to stabilise the system over the next three months.

Unfortunately, many companies and individuals will use any excuse to delay paying their bills, and the problem with the implementation of the ERP system has added to our increase in outstanding receivables."

Unfortunately we remain in the same situation. The computer systems suppliers have been unable to stabilise the system. This has not only added to our costs significantly and made collections more difficult, much of which have been provided for as doubtful debts, but also has significantly slowed the implementation of our business plans.

The problems with the systems suppliers mean that our headcount is between 8 and 15 people too high. In addition, from November, we were continuing to deliver to customers who had not paid for several months because the system could not tell us this basic information. We put a stop to this but the net effect was that the bad debt expense escalated significantly over this period. We now put customers on stop supply within a month and seek to repossess the cooler soon afterwards.

We continue to hold our Market share in the business market as well as slowly expanding the number of water coolers to residences.

Australia			
	Current half-year NZ$'000	Up/(Down)%	Previous corresponding half-year NZ$'000
Revenue:	5,785	(14.0%)	6,730
EBITDA:	759	(47.9%)	1,457
EBIT:	(53)	(107.4%)	713
NPAT:	(178)	11.9%	(202)

Revenue remained fairly flat over the previous corresponding period. Underlying profitability in Australia, excluding exchange gains, improved in the latest half year period compared with the previous corresponding period. The Group had exchange gains of $7,000 for the six months ended 31 December 2009 compared to an exchange gain of $825,000 for the previous corresponding period.

Conclusion:

The directors see these results as unaccceptable, but believe that once the computer implementation has been concluded, management will be able to re-focus on business growth, and restore the company to profitability.

Yours sincerely

Don McKinnon
Chairman

Tony Falkenstein
Chief Executive

Just Water International Limited
Consolidated statement of comprehensive income (unaudited)
For the six months ended 31 December 2009

	Group 6 months ended 31 December 2009 $'000	Group 6 months ended 31 December 2008 $'000
Revenue	17,688	17,325
Other operating income	216	827
Income	17,904	18,152
Employee costs	(7,510)	(6,835)
Changes in inventories of finished goods and consumables	(357)	(347)
Purchases of finished goods and consumables	(1,701)	(2,022)
Other expenses	(5,728)	(4,151)
Earnings before interest, tax, depreciation and amortisation	2,608	4,797
Depreciation	(2,419)	(1,949)
Amortisation	(209)	(125)
Earnings before interest and tax	(20)	2,723
Interest expense	(852)	(1,168)
Profit/(loss) before income tax	(872)	1,555
Income tax expense	151	(219)
Profit/(loss) after income tax	(721)	1,336
Other comprehensive income	-	-
Total comprehensive income	(721)	1,336
Earnings per share		
Basic earnings per share (cents)	(0.8)	1.7
Diluted earnings per share (cents)	(0.8)	1.7
Dividend per share (cents)	2.0	2.0

The accompanying notes to the financial statements are an integral part of, and should be read in conjunction with, the above statement of comprehensive income.

Just Water International Limited
Consolidated balance sheet (unaudited)
For the six months ended 31 December 2009

	NOTE	Group as at 31 December 2009 $'000	Group as at 31 December 2008 $'000	Group as at 30 June 2009 $'000
ASSETS				
Current assets				
Cash and cash equivalents		166	931	953
Trade and other receivables		3,544	3,696	4,316
Inventories		1,359	2,136	1,716
Total current assets		5,069	6,763	6,985
Non-current assets				
Property, plant and equipment		16,755	16,728	16,571
Investment in subsidiaries		-	-	-
Intangible assets		29,891	28,487	29,791
Deferred tax asset		4,267	3,956	3,519
Total non-current assets		50,913	49,171	49,881
Total assets		55,982	55,934	56,866
LIABILITIES				
Current liabilities				
Interest-bearing liabilities		10,652	18,334	25,804
Trade and other payables		4,238	3,664	3,804
Current tax payables		235	554	351
Deferred income		2,742	2,416	3,104
Total current liabilities		17,867	24,968	33,063
Non-current liabilities				
Interest-bearing liabilities		15,607	6,184	309
Deferred income		814	1,300	777
Deferred tax liabilities		492	995	658
Total non-current liabilities		16,913	8,479	1,744
Total liabilities		34,780	33,447	34,807
Net assets		21,202	22,487	22,059
EQUITY				
Share capital	6	22,420	20,216	21,136
Retained earnings		(879)	2,396	1,535
Reserves		(339)	(125)	(612)
Total equity		21,202	22,487	22,059

For and on behalf of the board:

Sir Don Mckinnon
Chairman

Ian Malcolm
Director

3 March 2010

The accompanying notes to the financial statements are an integral part of, and should be read in conjunction with, the above balance sheet.

Just Water International Limited
Consolidated statement of changes in equity (unaudited)
For the six months ended 31 December 2009

	Share capital $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total equity $'000
GROUP				
Balance at 1 July 2008	17,584	(657)	2,584	19,511
Profit after tax	-	-	1,336	1,336
Foreign currency translation reserve	-	532	-	532
Total recognised income and expense for the year	-	532	1,336	1,868
Issue of options	1	-	-	1
Issue of ordinary shares	2,631	-	-	2,631
Dividend paid	-	-	(1,523)	(1,523)
Supplementary dividend paid	-	-	(22)	(22)
Foreign investor tax credits	-	-	21	21
Balance at 31 December 2008	20,216	(125)	2,396	22,487
Profit after tax	-	-	468	468
Foreign currency translation reserve	-	(487)	-	(487)
Total recognised income and expense for the year	-	(487)	468	(19)
Issue of ordinary shares	920	-	-	920
Dividend paid	-	-	(1,328)	(1,328)
Supplementary dividend paid	-	-	(17)	(17)
Foreign investor tax credits	-	-	16	16
Balance at 30 June 2009	21,136	(612)	1,535	22,059
Profit after tax	-	-	(721)	(721)
Foreign currency translation reserve	-	273	-	273
Total recognised income and expense for the year	-	273	(721)	(448)
Issue of ordinary shares	1,284	-	-	1,284
Dividend paid	-	-	(1,692)	(1,692)
Supplementary dividend paid	-	-	(22)	(22)
Foreign investor tax credits	-	-	21	21
Balance at 31 December 2009	22,420	(339)	(879)	21,202

The accompanying notes to the financial statements are an integral part of, and should be read in conjunction with, the above statement of changes in equity.

Just Water International Limited
Consolidated cash flow statement (unaudited)
For the six months ended 31 December 2009

	NOTE	Group 6 months ended 31 December 2009 $'000	Group 6 months ended 31 December 2008 $'000
Cash flows from operating activities			
Receipts from customers		18,624	17,773
Interest received		-	2
Payments to suppliers and employees		(14,567)	(14,187)
Interest paid		(853)	(284)
Income tax paid		(453)	(521)
Net cash generated from/ (used in) operating activities	11	2,751	2,783
Cash flows from investing activities			
Purchases of property, plant and equipment		(2,859)	(3,688)
Proceeds from sale of property, plant and equipment		21	4
Purchases of intangible assets		(398)	(8)
Net cash (used in)/ generated from investing activities		(3,236)	(3,692)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		-	1,388
Proceeds from borrowings		450	996
Repayment of borrowings		(480)	(502)
Dividends paid to Company's shareholders		(409)	(386)
Net cash (used in)/ generated from financing activities		(439)	1,496
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(924)	587
Cash and cash equivalents at the beginning of the financial year		953	355
Exchange losses on cash and bank overdrafts		(31)	(375)
Cash and cash equivalents at the end of year		(2)	567

The accompanying notes to the financial statements are an integral part of, and should be read in conjunction with, the above cash flow statement.

Just Water International Limited
Notes to the financial statements
For the six months ended 31 December 2009

1. GENERAL INFORMATION

Just Water International Limited (JWI) is a public company registered under the Companies Act 1993 and is listed with the New Zealand Stock Exchange on the NZAX.

The Group comprises JWI and its division Just Water New Zealand, and its wholly-owned subsidiaries Clearwater Filter Systems (Aust) Pty Limited (Clearwater), Just Water Australia Pty Limited (JW Australia) and Just Water Victoria Pty Limited (JW Victoria).

These financial statements have been approved for issue by the board of directors on 3 March 2010.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice (GAAP) in New Zealand and NZ IAS 34: Interim Financial Reporting, and should be read in conjunction with the 2009 Annual Report. The financial statements have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The Group has designated itself as a profit-oriented entity for the purposes of complying with NZ IFRS. The financial statements also comply with International Financial Reporting Standards (IFRS).

The accounting policies used are consistent with those used in the previous Annual Report except for those described in note 4. The financial statements for the six months ended 31 December 2009 and 31 December 2008 are unaudited. The comparative information for the year ended 30 June 2009 is audited.

2.2. Basis of preparation

2.2.1. Entities reporting

The financial statements of the ‘Parent’ are for Just Water International Limited as a separate legal entity.

2.2.2. Statutory base

Just Water International Limited is a limited liability company which is domiciled and incorporated in New Zealand. It is registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978.

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

2.2.3. Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

3. CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates and judgments concerning the future. The resulting estimates may not equal related actual results. Estimates and judgments 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 estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

3.1. Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment.

3.2. Income taxes

The Group is subject to income taxes in two different jurisdictions. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT HAVE BECOME EFFECTIVE

The following new standards and amendments to standards are mandatory and are required to be applied for the first time for financial years beginning on or after 1 January 2009 or 1 July 2009.

4.1. NZ IFRS 8: Operating segments: (mandatory for reporting periods beginning on or after 1 January 2009)

Application of this standard requires segments to be identified on the basis of reporting to chief operating decision-makers of the organisation and requires information provided to the chief operating decision-makers to be presented in the financial statements. Application of NZ IFRS 8 did not identify any new operating segments. Refer note 5 for further information.

4.2. Amendments to IAS 23: Borrowing costs (mandatory for reporting periods beginning on or after 1 January 2009)

This amendment removes the option of simply expensing borrowing costs incurred in the construction of qualifying assets. Borrowing costs incurred in relation to assets that take a substantial period of time to get ready for intended use must be capitalised as part of the cost of the asset. Adoption of this standard has not had any impact on the financial statements.

4.3. Amendments to IAS 1: Presentation of financial statements (mandatory for reporting periods beginning on or after 1 January 2009)

The revised IAS 1 requires an entity to present all owner changes in equity, separately from non-owner changes in equity, in a statement of changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (an income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. The Group has elected to present one statement and these interim financial statements have been prepared under the revised disclosure requirements.

4.4. Amendments to IAS 27: Consolidated and separate financial statements (mandatory for reporting periods beginning on or after 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 has applied IAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 July 2009.

4.5. Amendments to NZ IFRS 2: Share-based payments (mandatory for reporting periods beginning on or after 1 January 2009)

The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. Application of this standard has not had any material impact on the Group's interim financial statements.

4.6. Amendments to NZ IFRS 7: Financial instruments – disclosures (mandatory for reporting periods beginning on or after 1 January 2009)

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share. Application of this standard has not had any material impact on the Group's interim financial statements.

5. SEGMENT INFORMATION

An operating segment is a component of an entity that engages in business activities which earns revenue and incurs expenses and for which the chief operating decision maker (CODM) reviews the operating results on a regular basis and makes decisions on resource allocation. The Group has determined its CODM to be the Board of Directors, comprising the CEO, on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

The reportable operating segments of the Group have been determined based on the components of the Group that the CODM monitors in making decisions about operating matters. Such components have been identified on the basis of internal reports that the CODM reviews regularly in order to allocate resources and to assess the performance of the entity.

The Group is organised into two reportable operating segments, namely New Zealand and Australia, reflecting the different geographical markets within which the Group operates.

The following is an analysis of the Group's revenue and results by operating segment. Revenue reported below represents revenue generated from external customers.

	New Zealand 6 months ended 31 December 2009 $'000	Australia 6 months ended 31 December 2009 $'000	Eliminations 6 months ended 31 December 2009 $'000	Group 6 months ended 31 December 2009 $'000
Rental income	6,895	3,792	-	10,687
Sales and service income	5,160	1,986	(145)	7,001
Other operating income	241	7	(32)	216
Income	12,296	5,785	(177)	17,904
Earnings before interest, tax, depreciation and amortisation	1,881	759	(32)	2,608
Depreciation	(1,633)	(786)	-	(2,419)
Amortisation	(183)	(26)	-	(209)
Earnings before interest and tax	65	(53)	(32)	(20)
Interest expense	(739)	(145)	32	(852)
Profit/(loss) before income tax	(674)	(198)	-	(872)
Income tax expense	130	20	-	151
Profit/(loss) attributable to shareholders of the company	(544)	(178)	-	(721)
Total tangible assets	51,441	11,111	(36,461)	26,091
Total assets	57,945	34,499	(36,461)	55,982
Total liabilities	26,410	8,371	-	34,780

5. SEGMENT INFORMATION (CONTINUED)

	New Zealand 6 months ended 31 December 2008 $'000	Australia 6 months ended 31 December 2008 $'000	Eliminations 6 months ended 31 December 2008 $'000	Group 6 months ended 31 December 2008 $'000
Rental income	7,296	3,549	-	10,845
Sales and service income	4,124	2,356	-	6,480
Other operating income	429	825	(427)	827
Income	11,849	6,730	(427)	18,152
Earnings before interest, tax, depreciation and amortisation	3,767	1,457	(427)	4,797
Depreciation	(1,319)	(630)	-	(1,949)
Amortisation	(11)	(114)	-	(125)
Earnings before interest and tax	2,437	713	(427)	2,723
Interest expense	(238)	(1,357)	427	(1,168)
Profit/(loss) before income tax	2,199	(644)	-	1,555
Income tax expense	(661)	442	-	(219)
Profit/(loss) attributable to shareholders of the company	1,538	(202)	-	1,336
Total tangible assets	31,764	11,799	(16,116)	27,447
Total assets	37,017	35,033	(16,116)	55,934
Total liabilities	7,313	36,719	(10,585)	33,447

6. SHARE CAPITAL

Movements in ordinary share capital:

	Number of Shares	Share Capital $'000
Ordinary shares on issue 1 July 2008	76,902,733	17,584
Shares issued		
- Shares issued under Private Placement	2,857,143	1,186
- Shares issued under Dividend Reinvestment Plan	4,815,583	2,066
- Shares issued under Share Purchase Plan	607,557	195
- Share issued in lieu of directors' fees	260,000	104
Fair value of options issued to directors and employees	-	1
Ordinary shares on issue as at 30 June 2009	85,443,016	21,136
Shares issued		
- Shares issued under Dividend Reinvestment Plan	3,798,445	1,284
Ordinary shares on issue as at 31 December 2009	89,241,461	22,420

The Group issued 3,798,445 shares on 16 October 2009 to various shareholders of JWI under the Dividend Reinvestment Plan. The fair value of the shares issued amounted to $1,284m.

7. COMMITMENTS

Capital commitments

The Group has no capital commitments as at 31 December 2009 (Dec 2008: nil)

Lease commitments: Group as lessee

Operating leases

The Group leases various offices and warehouses under non-cancellable operating leases expiring within two to five years. The leases have varying terms and renewal rights and escalation clauses based on the CPI index. On renewal, the terms of the leases are renegotiated.

A summary of the terms of the major lease agreements in place for the Group is as follows:

	Initial Lease Term	Rights Of Renewal
Auckland offices/warehouse	Five years	Two of three years each
Hamilton offices/warehouse	Six years	Two of three years each
Brisbane offices/warehouse	Three years	One of three years
Melbourne offices/warehouse	Five years	One of three years
Sydney offices/warehouse	Five years	One of five years

The Group also leases various plant and machinery under cancellable operating leases. The Group is required to give six months notice for termination of these leases.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	Group 6 months ended 31 December 2009 $'000	Group 6 months ended 31 December 2008 $'000
Within one year	666	694
Later than one year but not later than five years	677	744
Later than five years	-	-
Commitments not recognised in the financial statements	1,343	1,438

8. CONTINGENT LIABILITIES

As at 31 December 2009 the Group had no contingent liabilities (Dec 2008: nil).

9. RELATED PARTIES

The Group and Parent has related-party transactions with its subsidiaries and with its directors and key management. Key management includes personnel within subsidiary companies with the authority and responsibility for planning, directing and controlling the activities of that entity.

The Parent has a number of loans and advances outstanding from subsidiaries and other related parties at balance date. These advances do not have fixed repayment terms and all advances between related parties are unsecured. During the six months the Parent received interest of $1,315,437 (Dec 2008: $357,322) from JWA Holdings Limited respectively. Also during the six months JWA Holdings Limited received interest of $32,063 (Dec 2008: $427,393) from Just Water Limited Partnership.

9. RELATED PARTIES (CONTINUED)

During the year Just Water Australia Pty Limited received management fees of $18,635 (Dec 2008: nil) from Just Water Limited Partnership. Just Water Australia Pty Limited is wholly-owned subsidiary of the Parent. The partners of Just Water Limited Partnership are Just Water Australia Pty Limited and JWA Holdings Limited, which is also a wholly-owned subsidiary of the Parent.

Mabee Halstead & Kiddle Limited, a company of which Ian Malcolm is a director and a shareholder, provided accounting compliance and accounting services to the Group during the six months to the value of $116,500 (Dec 2008: $124,340). Ian Malcolm is also a director and shareholder of the Parent.

Axis Direct Limited, a company of which Ian Malcolm is a director and a shareholder, supplied computer hardware and network support services to the Just Water Group during the six months to the value of $270 (Dec 2008: $2,819). Ian Malcolm is also a director and shareholder of the Parent.

Springfresh Marketing Pty Limited, a company of which Phil Dash is a director and a shareholder, provided management services to the Just Water Group during the financial year to the value of nil (Dec 2008: $33,773). Phil Dash is also a director and indirect shareholder of the Parent.

The following related-party balances are held by the Group at balance date:

	Group 6 months ended 31 December 2009 $'000	Group 6 months ended 31 December 2008 $'000
Trade payables		
Texel Holdings Limited	-	236

Key management compensation is as follows:

	Group 6 months ended 31 December 2009 $'000	Group 6 months ended 31 December 2008 $'000
Short-term benefits	658	610
Share-based payments	-	105
Total key management compensation	658	715

10. FINANCIAL RISK MANAGEMENT

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

10. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Less Than 1 Year $'000	Between 1 and 2 Years $'000	Between 2 and 5 Years $'000	Over 5 Years $'000
As at 31 December 2009				
Trade and other payables	4,238	-	-	-
Bank overdraft	168	-	-	-
Bank borrowings	10,309	2,514	12,800	-
Other loans	175	251	42	-
As at 31 December 2008				
Trade and other payables	3,664	-	-	-
Bank overdraft	364	-	-	-
Bank borrowings	17,918	6,037	-	-
Other loans	52	87	60	-

The Group renegotiated the terms of its banking facilities in November 2009 and as at 31 December 2009 the Group met all of the required financial covenants set by the bank.

Having regard to the Group's trading performance and cash flows, the directors believe that the Group will continue to comply with its financial banking covenants in future periods and therefore all of the Group's banking facilities will not need to be repaid in the next financial year.

11. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group 6 months ended 31 December 2009 $'000	Group 6 months ended 31 December 2008 $'000
Profit for the year	(721)	1,336
Adjustments for		
Tax	(1,030)	(176)
Depreciation	2,419	1,949
Amortisation	209	125
Loss/(gain) on sale of property, plant and equipment	363	175
Share options issued	-	1
Shares issued in lieu of directors fees	-	104
Provision for doubtful debts	1,370	6
Movement in deferred income	(325)	(1,382)
Changes in working capital (excluding the effects of acquisition)		
Inventories	357	347
Trade and other receivables	(325)	999
Trade and other payables	434	(701)
Cash generated from operations	2,751	2,783

Notes

Just Water

Just Water International Limited