

# Statements of Financial Position *as at 30 September 2010*

*In thousands of NZD*

	NOTES	6 Months to 30 September 2010	CONSOLIDATED 6 Months to 30 June 2009	15 Months to 31 March 2010
<b>Assets</b>				
Cash and cash equivalents	5	134	788	466
Trade and other receivables		534	610	790
Finance receivables	6,7,8	2,642	7,119	4,288
Loan receivables - designated at fair value		7,943	13,614	8,794
Income tax refund		-	-	247
Inventories		393	490	440
Investment held for sale		-	-	68
Property and plant held for sale		1,132	2,059	1,132
Property, plant and equipment		1,921	1,694	1,973
Investment in associates		2,345	3,158	2,543
Deferred tax asset		-	657	-
Goodwill		-	1,532	-
<b>Total assets</b>		<b>17,044</b>	<b>31,721</b>	<b>20,741</b>
<b>Liabilities</b>				
Bank Overdraft	5	250	180	250
Trade and other payables		820	1,385	1,220
Deposits	9	4,373	4,297	4,407
Interest bearing loans and borrowings	10	5,084	9,661	8,536
Income tax payable		-	2,015	-
Convertible preference shares		20	15	20
Capital Securities		552	-	552
Deferred tax liability		279	-	146
<b>Total liabilities</b>		<b>11,378</b>	<b>17,553</b>	<b>15,131</b>
<b>Equity</b>				
Ordinary Shares		17,579	14,488	17,579
Convertible preference shares		641	3,747	641
Capital Securities		1,137	1,797	1,137
Accumulated losses		(13,691)	(5,864)	(13,747)
<b>Total equity</b>		<b>5,666</b>	<b>14,168</b>	<b>5,610</b>
<b>Total equity and liabilities</b>		<b>17,044</b>	<b>31,721</b>	<b>20,741</b>

On behalf of the Directors 13th October 2010



Allan Hawkins - Chairman



Kevin Mc Donald - Deputy Chairman

# Statements of Comprehensive Income *for the 6 months ended 30 September 2010*

In thousands of NZD

	6 Months to 30 September 2010	GROUP 6 Months to 30 June 2009	15 Months to 31 March 2010
<b>Revenue</b>			
Interest income - finance receivables	407	1,428	1,869
Fees received	56	226	317
Gain on loan receivables - designated at fair value	2,480	3,499	1,660
Bank interest	1	5	10
Management fee and Group levy	-	80	91
Sales of goods	1,729	2,126	6,133
Sales of services	-	365	-
Rental Income	29	19	56
Other Income	2	-	21
<b>Total operating revenue</b>	<b>4,704</b>	<b>7,748</b>	<b>10,157</b>
<b>Operating expenses</b>			
Audit fees	40	97	246
Depreciation	76	99	205
Directors fees	23	24	58
Distribution costs	155	341	642
Employee remuneration	928	1,001	2,593
FX losses	-	-	9
Interest expense	258	792	633
Deposits	388	65	1,411
Interest bearing loans and borrowings	-	-	29
Notional interest on compound intruments	49	47	133
Manufacturing costs	240	1,053	1,096
Office and administration	263	-	1,150
Credit and collection expenses	263	106	533
Other expenses	-	-	327
Properties held for sale impairment loss	-	-	600
Plant and equipment held for sale impairment loss	-	-	(174)
Plant and equipment impairment (reversal)/loss	133	146	944
Receivables impairment loss	989	1,501	3,762
Raw materials and consumables used	273	213	553
Rental and operating lease costs	-	-	1,532
Impairment of goodwill	180	-	782
Impairment of investment in and advances to associates and subs	203	321	1,123
Share of losses of associates (net of income tax)	4,461	5,806	18,187
<b>Total operating expenses</b>	<b>4,461</b>	<b>5,806</b>	<b>18,187</b>
<b>(Loss)/profit before income tax</b>	<b>243</b>	<b>1,942</b>	<b>(8,030)</b>
Income tax credit / (expense)	(134)	(679)	676
<b>(Loss)/profit for the period from continuing operations</b>	<b>109</b>	<b>1,263</b>	<b>(7,354)</b>
<b>Discontinued operation</b>			
Profit from discontinued operation net of income tax	-	-	745
<b>(Loss)/profit for the period attributable to the shareholders of the Company</b>	<b>109</b>	<b>1,263</b>	<b>(6,609)</b>
<b>Total comprehensive income for the period attributable to shareholders of the Company</b>	<b>109</b>	<b>1,263</b>	<b>(6,609)</b>

## Statements of Changes in Equity *for the 6 months ended 30 September 2010*

*In thousands of NZD*

GROUP	Ordinary shares	Conv. Pref. shares	Conv. notes	Capital Securities	Accumulated losses	Total equity
<b>Balance at 1st January 2009</b>	14,540	2,964	-	-	(4,447)	13,057
<b>Total comprehensive income for the period</b>						
Profit/ or (loss)	-	-	-	-	(6,609)	(6,609)
Total comprehensive income for the period	-	-	-	-	(6,609)	(6,609)
<b>Contributions by and distributions to owners</b>						
Warrants converted to ordinary shares	10	-	-	-	-	10
Conv. Pref. Shares converted to ordinary shares	3,101	(2,323)	-	-	-	778
Bonus issue - capital securities	-	-	-	1,164	(1,637)	(473)
Capital securities issued	-	-	-	106	-	106
Share issue cost	(72)	-	-	-	-	(72)
Dividends paid - ordinary shares	-	-	-	-	(920)	(920)
Dividends paid - convertible pref. shares	-	-	-	-	(134)	(134)
Dividends paid - capital securities	-	-	-	(133)	-	(133)
Total contributions by and distributions to owners	3,039	(2,323)	-	1,137	(2,691)	(838)
<b>Balance at 31st March 2010</b>	<b>17,579</b>	<b>641</b>	<b>-</b>	<b>1,137</b>	<b>(13,747)</b>	<b>5,610</b>
<b>Balance at 1st April 2010</b>	<b>17,579</b>	<b>641</b>	<b>-</b>	<b>1,137</b>	<b>(13,747)</b>	<b>5,610</b>
<b>Total comprehensive income for the period</b>						
Profit/ or (loss)	-	-	-	-	109	109
Total comprehensive income for the period	-	-	-	-	109	109
<b>Contributions by and distributions to owners</b>						
Dividends paid - convertible pref. shares	-	-	-	-	(11)	(11)
Dividends paid - capital securities	-	-	-	-	(42)	(42)
Total contributions by and distributions to owners	-	-	-	-	(53)	(53)
<b>Balance at 30th September 2010</b>	<b>17,579</b>	<b>641</b>	<b>-</b>	<b>1,137</b>	<b>(13,691)</b>	<b>5,666</b>

# Statements of Cash Flows *for the 6 months ended 30 September 2010*

*In thousands of NZD*

	GROUP		
	6 Months to 30 September 2010	6 Months to 30 June 2009	15 Months to 31 March 2010
<b>Net cash from/(used in) operating activities</b>			
Cash was provided from:			
Receipts from sale of goods and services	2,046	3,004	7,895
Fees received	56	306	408
Repayments from finance and loan receivables	4,842	3,280	7,322
Interest income received	408	1,433	2,848
Cash was applied to:			
Payments to suppliers and employees	(3,619)	(4,056)	(11,814)
Advance to associates	-	(1,347)	(2,315)
Increase in loan advances to customers	(185)	-	-
Tax paid	247	(385)	(586)
Interest expense paid	(646)	(857)	(2,073)
<b>Net cash flows used in operating activities</b>	<b>3,149</b>	<b>1,378</b>	<b>1,685</b>
<b>Cash flows from/(used in) investing activities</b>			
Cash was provided from:			
Proceeds from disposal of subsidiary	-	-	674
Investment/(decrease) in related party	79	-	-
Cash was applied to:			
Investment/(decrease) in related party	-	-	(80)
Purchase of property, plant and equipment	(21)	(155)	(392)
<b>Net cash flows used in investing activities</b>	<b>58</b>	<b>(155)</b>	<b>202</b>
<b>Cash flows from/(used in) financing activities</b>			
Cash was provided from:			
Proceeds from deposits	-	238	-
Proceeds from issue of ordinary shares	-	9	-
Increase in interest bearing loans	-	-	347
Proceeds from issue of capital securities	-	-	168
Cash was applied to:			
Repayment/(increase) of interest bearing loans	(3,486)	(268)	(1,393)
Convertible preference share dividend	(11)	(117)	(134)
Capital securities dividend	(42)	(7)	(133)
Equity raising costs	-	(62)	(72)
Dividends paid	-	(874)	(920)
<b>Net cash flows from financing activities</b>	<b>(3,539)</b>	<b>(1,081)</b>	<b>(2,137)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(332)</b>	<b>142</b>	<b>(250)</b>
Cash and cash equivalents balances at beginning of the period	216		466
<b>Cash and cash equivalents at end of period</b>	<b>(116)</b>	<b>142</b>	<b>216</b>
<b>Presented as;</b>			
Cash and cash equivalents	216	466	466
Bank overdraft	(332)	-	(250)
<b>Net Cash and cash equivalents at end of period</b>	<b>(116)</b>	<b>608</b>	<b>216</b>

# Notes to the Financial Statements *for the 6 months ended 30 September 2010*

## **1. Summary of significant accounting policies**

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These unaudited interim financial statements do not include all the notes of the type normally included in annual financial statements.

Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 March 2010.

### **(a) Basis of preparation**

These general purpose financial statements for the interim 6 month period ended 30 September 2010 have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) and comply with the New Zealand equivalent to International Accounting Standard 34 interim Financial Reporting.

These interim financial statements are stated in New Zealand dollars rounded to the nearest thousand unless stated otherwise.

### **(b) Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2010, as described in those annual financial statements.

### **(c) Basis of consolidation**

The half year consolidated financial statements comprise the financial statements of the Cynotech Holdings Limited and its subsidiaries as at 30 September 2010 ('the Group')

# Notes to the Financial Statements *for the 6 months ended 30 September 2010*

## 2 Segment Information

Segment information is presented in respect of the Group's business segments. The primary format, business, segments, is based on the Group's management and internal reporting structure, Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses relating principally to property held for resale and investments in Seating Systems Ltd.

The major operating segments of the Group are as follows:

### Business segments

Finance

Satellite

Manufacturing

### Products and Services

Lending to consumers and businesses for motor vehicle, property finance and mortgages.

Management of the sale and rental of satellite phones and providing airtime connections. Discontinued operation in 2010.

Manufactures and distributes cone and waffle products.

### Segment Assets

Finance  
Satellite  
Manufacturing  
Associated companies and other assets

### Segment Liabilities

Finance  
Satellite  
Manufacturing  
Bank Term Loan & Tax  
Associated companies and other Liabilities

### Consolidated

### Revenue

Finance  
Satellite  
Manufacturing  
Other

### Consolidated

### Net Profit for the period

Finance  
Satellite  
Manufacturing  
Other  
Equity accounted profit / (loss)  
Tax

### Consolidated

	GROUP		
	6 Months to 30 September 2010	6 Months to 30 June 2009	15 Months to 31 March 2010
<b>Segment Assets</b>			
Finance	10,604	20,914	13,140
Satellite	-	246	107
Manufacturing	2,716	4,660	3,182
Associated companies and other assets	3,724	5,901	4,530
	<b>17,044</b>	<b>31,721</b>	<b>20,959</b>
<b>Segment Liabilities</b>			
Finance	9,037	12,408	12,136
Satellite	-	49	18
Manufacturing	732	1,557	1,266
Bank Term Loan & Tax	859	3,539	-
Associated companies and other Liabilities	750	-	1,565
	<b>11,378</b>	<b>17,553</b>	<b>14,985</b>
<b>Revenue</b>			
Finance	2,715	5,071	3,537
Satellite	-	421	1,929
Manufacturing	1,729	2,057	6,133
Other	260	199	467
	<b>4,704</b>	<b>7,748</b>	<b>12,066</b>
<b>Net Profit for the period</b>			
Finance	480	2,533	(3,939)
Satellite	-	85	745
Manufacturing	(111)	(78)	(216)
Other	(126)	(277)	(3,483)
Equity accounted profit / (loss)	-	(321)	(392)
Tax	(134)	(679)	676
	<b>109</b>	<b>1,263</b>	<b>(6,609)</b>

# Notes to the Financial Statements *for the 6 months ended 30 September 2010*

## 3. Financial Risk Management

The Company has in place risk management programmes in line with Reserve Bank of NZ risk management guidelines.

## 4. Financial Risk Management - Liquidity risk

The following table identifies the expected maturity profile of assets and liabilities of the Group.

### Expected gross undiscounted maturities of financial assets and liabilities.

GROUP 6 Months to September 2010	Carrying amount \$'000	Gross nominal inflow / (outflow) \$'000	On demand \$'000	6 months to		1 year to 2	2-5 years \$'000	Over 5 years \$'000
				1-6 months \$'000	1 year \$'000	years \$'000		
<b>Financial assets</b>								
Cash balances	134	134	134	-	-	-	-	-
Finance receivables	2,642	3,936	683	640	481	851	1,176	105
Trade receivables	534	534	-	534	-	-	-	-
Advance to associate	2,345	4,086	158	158	158	317	3,295	-
Loan receivables - fair value	7,943	8,829	-	1,633	1,464	2,153	3,335	244
<b>Total assets</b>	<b>13,598</b>	<b>17,519</b>	<b>975</b>	<b>2,965</b>	<b>2,103</b>	<b>3,321</b>	<b>7,806</b>	<b>349</b>
<b>Financial liabilities</b>								
Overdraft	250	250	250	-	-	-	-	-
Deposits	4,373	4,883	-	1,973	2,910	-	-	-
Trade payables	820	820	-	820	-	-	-	-
Convertible preference shares	20	-	-	-	20	-	-	-
Capital securities	552	2,808	-	84	84	167	668	1,805
Interest bearing loans	5,084	5,543	1,500	505	455	3,064	19	-
<b>Total liabilities</b>	<b>11,099</b>	<b>14,304</b>	<b>1,750</b>	<b>3,382</b>	<b>3,469</b>	<b>3,231</b>	<b>687</b>	<b>1,805</b>
<b>Liquidity gap</b>	<b>2,499</b>	<b>3,215</b>	<b>(775)</b>	<b>(417)</b>	<b>(1,366)</b>	<b>90</b>	<b>7,119</b>	<b>(1,456)</b>

### GROUP 6 Months to June 2009

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Cash balances	788	788	788	-	-	-	-	-
Finance receivables	7,119	10,534	1,954	2,707	1,669	2,264	1,837	103
Trade receivables	610	610	-	610	-	-	-	-
Advance to associate	2,888	3,408	-	-	592	1,646	1,170	-
Loan receivables - fair value	13,614	18,494	-	1,408	1,932	4,241	9,821	1,092
<b>Total assets</b>	<b>25,019</b>	<b>33,834</b>	<b>2,742</b>	<b>4,725</b>	<b>4,193</b>	<b>8,151</b>	<b>12,828</b>	<b>1,195</b>
<b>Financial liabilities</b>								
Overdraft	180	180	180	-	-	-	-	-
Deposits	4,297	4,674	317	1,805	2,035	517	-	-
Trade payables	347	347	-	347	-	-	-	-
Convertible preference shares	15	15	-	5	10	-	-	-
Interest bearing loans	9,661	11,456	-	1,088	1,103	9,047	218	-
<b>Total liabilities</b>	<b>14,500</b>	<b>16,672</b>	<b>497</b>	<b>3,245</b>	<b>3,148</b>	<b>9,564</b>	<b>218</b>	<b>-</b>
<b>Liquidity gap</b>	<b>10,519</b>	<b>17,162</b>	<b>2,245</b>	<b>1,480</b>	<b>1,045</b>	<b>(1,413)</b>	<b>12,610</b>	<b>1,195</b>

### GROUP 15 Months to Mar 2010

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Cash balances	466	466	466	-	-	-	-	-
Finance receivables	4,288	6,713	566	571	1,433	2,006	2,049	88
Trade receivables	658	658	-	658	-	-	-	-
Advance to associate	2,543	3,926	-	209	209	3,508	-	-
Loan receivables - fair value	8,794	9,774	-	1,805	1,621	2,384	3,694	270
<b>Total assets</b>	<b>16,749</b>	<b>21,537</b>	<b>1,032</b>	<b>3,243</b>	<b>3,263</b>	<b>7,898</b>	<b>5,743</b>	<b>358</b>
<b>Financial liabilities</b>								
Overdraft	250	250	250	-	-	-	-	-
Deposits	4,407	4,529	3,967	26	125	131	280	-
Trade payables	1,089	1,089	-	1,089	-	-	-	-
Convertible preference shares	20	20	-	-	20	-	-	-
Capital securities	1,805	2,808	-	84	84	167	668	1,805
Interest bearing loans	250	9,704	-	1,088	819	7,769	28	-
<b>Total liabilities</b>	<b>7,821</b>	<b>18,400</b>	<b>4,217</b>	<b>2,287</b>	<b>1,048</b>	<b>8,067</b>	<b>976</b>	<b>1,805</b>
<b>Liquidity gap</b>	<b>8,928</b>	<b>3,137</b>	<b>(3,185)</b>	<b>956</b>	<b>2,215</b>	<b>(169)</b>	<b>4,767</b>	<b>(1,447)</b>

## Notes to the Financial Statements *for the 6 months ended 30 September 2010*

### 5. Cash and Cash Equivalents

	GROUP		
	6 Months to 30 September 2010 \$'000	6 Months to 30 June 2009 \$'000	15 Months to 31 March 2010 \$'000
Cash at bank	134	788	466
Short term deposits	-	-	-
	134	788	466
Bank overdraft	(250)	(180)	(250)
	(116)	608	216

### 6. Finance Receivables

	GROUP		
	6 Months to 30 September 2010 \$'000	6 Months to 30 June 2009 \$'000	15 Months to 31 March 2010 \$'000
Finance receivables	3,964	9,453	7,254
Less impairment loss allowance	(1,322)	(2,334)	(2,966)
Total net receivables	2,642	7,119	4,288
Repayment terms			
-Current (less than 12 months)	303	3,373	1,035
-Non current (over 12 months)	2,339	3,746	3,253
	2,642	7,119	4,288

The range of terms to final maturity date of finance receivables are from 1 month to 60 months (2009, 1 months to 42 months).

The range of standard rates of finance receivables are from 16.5% pa to 29.5% pa (2009, 16.5% pa to 29.5% pa).

As at 30 September 2010, the amount owed (net of impairment) in aggregate by the six largest loans was \$204,137 (March 2010 \$830,631)

As at 30 September 2010, the aggregate amount (net of impairment) of the Budget Loans receivables, where the credit risk and funding amount was shared with Cynotech Securities Limited (a company associated with A.R. Hawkins) was \$0 (March 2010 \$155,500). This arrangement is formalised by an assignment of part of the debt by one or other of the parties. The assignor has registered the relevant securities in their own name.

### 7. Ageing Analysis of Finance Receivables

	6 Months to September 2010	GROUP					Total \$'000
		Current \$'000	1-30 days \$'000	30-60 days \$'000	60-90 days \$'000	Over 90 days \$'000	
Finance receivables		1,696	493	54	125	-	2,368
Finance receivables individually impaired		-	-	-	-	1,596	1,596
impairment allowance		-	-	-	-	(1,322)	(1,322)
		1,696	493	54	125	274	2,642
		64.2%	18.7%	2.0%	4.7%	10.4%	100.0%
	<b>6 Months to June 2009</b>						
Finance receivables		5,862	355	86	108	-	6,411
Finance receivables individually impaired		-	-	-	-	3,042	3,042
Impairment allowance		-	-	-	-	(2,334)	(2,334)
		5,862	355	86	108	708	7,119
		82.4%	5.0%	1.2%	1.5%	9.9%	100.0%
	<b>15 Months to March 2010</b>						
Finance receivables		2,547	640	257	157	-	3,601
Finance receivables individually impaired		-	-	-	-	3,653	3,653
impairment allowance		-	-	-	-	(2,966)	(2,966)
		2,547	640	257	157	687	4,288
		92.5%	4.0%	0.1%	0.1%	3.3%	100.0%

All amounts which are not current and that are past due up to 90 days as at 30 September 2010 are included in the balances of finance receivables. No impairment has been raised against the carrying amount as there are reasonable grounds to believe that the amounts are still recoverable as there has not been a significant change in credit quality.

Where finance receivables instalments are past due in excess of 90 days an impairment allowance is created to provide for any expected loss on recovery. The amount of the impairment allowance in respect of each overdue loan receivables is the outstanding balances reduced by the Directors' estimate of the realisable value of the remaining security held. Maturity analysis of current loans reflect repayment arrangements.

## Notes to the Financial Statements *for the 6 months ended 30 September 2010*

### 8. Impairment Allowance - for finance receivables

Reconciliation of impairment allowances.	GROUP		
	6 Months to 30 September 2010	6 Months to 30 June 2009	15 Months to 31 March 2010
	\$'000	\$'000	\$'000
Balance at beginning of period	2,966	1,749	1,749
Impairment loss for the period	409	1,095	1,557
impairment recovered during the period	(2,190)	(949)	(340)
Net change recognised in Income Statement	(1,781)	146	1,217
Reclassification of fair value to Impairment allowance	-	439	-
Balance at end of period	1,185	2,334	2,966

#### Analysis of Finance receivables and impairment

	Carrying Value	Not Past Due & Not Impaired	Past Due & Not Impaired	Impaired
<b>6 Months to September 2010</b>				
Current finance receivables	2,368	1,696	672	-
Finance receivables individually impaired	1,596	-	-	1,596
Impairment	(1,322)	-	-	(1,322)
	2,642	1,696	672	274

	Carrying Value	Not Past Due & Not Impaired	Past Due & Not Impaired	Impaired
<b>6 Months to June 2009</b>				
Current finance receivables	6,412	5,801	610	-
Finance receivables individually impaired	3,041	-	-	3,041
Impairment	(2,334)	-	-	(2,334)
	7,119	5,801	610	707

	Carrying Value	Not Past Due & Not Impaired	Past Due & Not Impaired	Impaired
<b>15 Months to March 2010</b>				
Current finance receivables	3,601	2,547	1,054	-
Finance receivables individually impaired	3,653	-	-	3,653
Impairment	(2,966)	-	-	(2,966)
	4,288	2,547	1,054	687

Collateral is held for some of the individually impaired finance receivables. This has been considered in arriving at the impairment allowance.

## Notes to the Financial Statements *for the 6 months ended 30 September 2010*

### 9. Secured and Unsecured Deposits

		Interest rates	GROUP		
			6 Months to	6 Months to	15 Months to
			30 September 2010	30 June 2009	31 March 2010
			\$'000	\$'000	\$'000
Deposits due within 12 months	Unsecured		4,033	3,807	4,067
Deposits due within 12 months	Secured		-	-	-
Term deposits due greater than 1 year	Unsecured		340	290	340
Term deposits due greater than 1 year	Secured		-	200	-
<b>Total deposits</b>			<b>4,373</b>	<b>4,297</b>	<b>4,407</b>
Analysis of interest rates on deposits:		8.00%	181	200	287
		9.50%	170	-	176
		10.00%	99	19	98
		11.00%	255	326	203
		11.25%	195	221	210
		11.50%	100	100	100
		12.00%	3,131	3,207	3,098
		13.00%	50	226	50
		13.50%	192	-	185
<b>Total deposits</b>			<b>4,373</b>	<b>4,299</b>	<b>4,407</b>
Related party deposits included in the above:					
FinData Limited		10.00%	-	19	-
Cynotech Securities Limited		11.00%	51	-	-
Cynotech Securities Limited		12.00%	301	589	175
Cynotech Securities Group Limited		8.00%	181	-	287
Cynotech Securities Group Limited		10.00%	99	-	98
Newmarket Securities Limited		12.00%	115	85	101
P.D.Tawse		12.00%	202	180	195
M.Tawse		12.00%	98	229	246
Hawkins, Wayne		12.00%	4	9	4
Hutchinson, Rodney Paul		12.00%	2	1	2
Farquharson and Fraser Limited		12.00%	70	90	-
A & D Grozef		12.00%	-	20	-
P.J. Hutchinson		13.50%	193	174	185
			<b>1,316</b>	<b>1,396</b>	<b>1,293</b>
Interest paid to related parties:					
FinData Limited		10.00%	-	4	4
Cynotech Securities Limited		11.00%	2	22	14
Cynotech Securities Limited		12.00%	6	-	48
Cynotech Securities Limited		13.00%	90	-	238
Cynotech Securities Group Limited		8.00%	6	-	-
Cynotech Securities Group Limited		10.00%	4	-	-
Newmarket Securities Limited		12.00%	7	4	13
P.D.Tawse		12.00%	12	10	27
M.Tawse		12.00%	13	13	35
Hawkins, Wayne		12.00%	-	-	1
P.J. Hutchinson		13.50%	13	12	30
Farquharson and Fraser		12.00%	1	1	6
			<b>154</b>	<b>66</b>	<b>416</b>

# Notes to the Financial Statements *for the 6 months ended 30 September 2010*

## 10. Interest Bearing Loans and Borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings

	Interest rates	GROUP		
		6 Months to 30 September 2010	6 Months to 30 June 2009	15 Months to 31 March 2010
		\$'000	\$'000	\$'000
Secured loans-Wairahi Trust (GSA over National Finance Loan book)	13.00%	2,999	6,000	6,000
Secured Loans -Cynotech Securities Ltd (GSA over Evolution Finance Ltd)	13.00%	1,505	1,500	1,500
Finance Liability -Goodman Fielder (PPSR security over Snowdon Ltd plant and equipment)	9.50%	45	62	51
Secured loans - National Bank (Mortgage Security over Property held for resale)	5.75%	535	1,306	574
Secured loans-National Bank (GSA over Snowdon Ltd)	7.26%	-	793	411
		5,084	9,661	8,536
<b>The secured loans are guaranteed as follows</b>				
Guarantee	A.R. Hawkins	-	444	-
Guarantee	K.P. McDonald	-	174	-
Guarantee	P.J. Hutchinson	-	174	-
Guarantee	A.R. Hawkins	535	1,306	711

The bank loans are secured as noted above and there are no operating Covenants to the bank.

## 11. Reconciliation of Operating Cashflows

The following is a reconciliation between the profit/(loss) surplus after income tax shown in the Income Statement and the net cash flow from/(used in) operating activities.

	GROUP		
	6 Months to 30 September 2010	6 Months to 30 June 2009	15 Months to 31 March 2010
	\$'000	\$'000	\$'000
<b>Profit/Loss) for the year</b>	109	1,263	(6,609)
<b>Non cash items and other add backs</b>			
Depreciation	73	99	62
Provisions for taxation	134	679	(624)
Impairment of property held for sale	-	-	327
Impairment of plant and equipment	-	-	600
Receivables impairment loss	133	146	944
Receivables (increase)/decrease	3,811	3,544	2,421
Impairment of investment in and advances to associates	180	-	2,926
Share of losses from associate	203	-	511
Loss/(Gain) on revaluation of loan book	(1,449)	(3,763)	(647)
	3,085	705	6,520
<b>Movement in working capital</b>			
Decrease/(increase) in trade and other receivables	246	494	4,538
Decrease/(increase) in advances to associates	(185)	(1,338)	(2,315)
Decrease/(increase) in inventory	47	(51)	91
Increase/(decrease) in trade creditors other payables & provisions	(153)	305	(540)
	(45)	(590)	1,774
Net cash inflows/(outflows) from operating activities	3,149	1,378	1,685

# Shareholder and Additional Statutory Information

## Principal Security Holders as at 30 September 2010

### Ordinary Shares

This table lists the names and holdings of the 20 largest holdings of ordinary shares issued by the Company.

	Ordinary Shares	
	No.	%
Cynotech Securities Group Ltd	96,323,549	78.38
FNZ Custodians Ltd	3,181,800	2.59
Guardian Trust Investment Nominees Ltd	3,125,000	2.54
Ace Finance Ltd	1,168,354	0.95
Anthony Edwin Falkenstein	828,060	0.67
Prospect Custodian Ltd	812,390	0.66
Anthony E Falkenstein & Ian D. Malcom	521,792	0.42
Penelope Margaret Hutchins	444,045	0.36
Hedgehog Funds Nominees Ltd	401,854	0.33
William Francis Coman	365,394	0.30
Sean Anthony Dennehy	349,714	0.28
Walter Mick George Yovich	336,676	0.27
Maximilian Richard McCabe	333,000	0.27
Heather Patricia O'Loughlin	326,487	0.27
Heather Jeanette Falkenstein	285,329	0.23
Basil Courtney McGirr	281,656	0.23
John Rennie Scott	271,361	0.22
Paul Harvey Quinn	264,986	0.22
Crester Holdings Ltd	262,739	0.21
David Clifford Young	254,296	0.21
<b>Total top 20 holders</b>	<b>110,138,482</b>	<b>89.63</b>
<b>Total securities on issue</b>	<b>122,885,996</b>	

## Principal Capital Securities Holders as at 30 September 2010

This table lists the names and holdings of the 20 largest holdings of Capital Securities issued by the company.

	Capital Securities	
	No.	%
Philip & Pamela Briggs	285,611	15.83
Cynotech Securities Ltd	188,008	10.42
M.Daniel, N.Burton, M.Benjamin	157,480	8.73
Newmarket Securities Ltd	135,722	7.52
FNZ Custodians Ltd	42,751	2.37
Guardian Trust Investment Nominees Ltd	41,667	2.31
Cynotech Finance Ltd	37,265	2.06
Brian Mackenzie & G.Newlove	29,784	1.65
Glenn & Sonja Hawkins	29,129	1.61
Allan & Lynne Nobilo	28,197	1.56
J McMillan, B.Lawler, L Lawler	24,627	1.36
Polar Blast Ltd	21,657	1.20
Kevin Patrick McDonald	21,570	1.20
Wairahi Holdings Ltd	19,828	1.10
Norman & Josephine Godden	18,906	1.05
Malamute Investments Ltd	18,062	1.00
Glenn Hawkins	17,267	0.96
Private Nominees Ltd	16,846	0.93
Richard & Elizabeth Craddock	16,198	0.90
Ace Finance Ltd	15,578	0.86
<b>Total top 20 holders</b>	<b>1,166,153</b>	<b>64.62</b>
<b>Total securities on issue</b>	<b>1,804,658</b>	