

Cynotech Holdings Ltd

**Mid-Year Report
2011**

Directors' Review

The Group made a loss for the half year of \$522,000 but this was a significant improvement on the results reported at the time of the full year announcement for the year to March 2011. No new impairment provisions have been made in this half year apart from the normal finance company bad debt provisions.

The Directors have reviewed the carrying value of the Group's assets and investments and have resolved that the impairment provisions made prior to the end of March are still adequate and that the current holding value of assets reflects a current value.

Total assets now stand at \$15.46 million which compares to the total of \$15.69 reported at 31st March.

The results for the half are not sufficient for the Directors to be able to recommend a dividend to ordinary shareholders.

Finance Group

We now have a clear demarcation in management organisation and financial reporting centres in the Finance Group.

Evolution Finance Ltd is now concentrating solely on debt collection in relation to the loans which we purchased from National Finance and Western Bay Finance.

Budget Loans Ltd is looking after the current loan ledgers and Budget Loans has recommenced a modest lending program solely in the consumer finance sector.

As we have said before, the finance group is very much the engine room of CHL Group's operations and is cash positive. Going forward, as resources allow we will major on this sector of our business for future growth.

Manufacturing

The ice cream cone market in NZ is quite mature and we still hold about 70% of the market.

We are looking to add to our total turnover by now adding some non cone, but compatible products, to the mix to give our sales people a wider portfolio to offer our key clients.

This business in New Zealand is very seasonal. We always have a struggle getting through winter with the overheads equating to or exceeding the sales margins.

Some success has been achieved in selling off surplus equipment at a profit when compared to the impaired value at which we have been carrying the spare assets in our books.

Temporary event seating

The Seating Systems company had a very busy half year. After the Hamilton V8 event in April we were fully committed to the provision of temporary seating in three stadiums for the Rugby World Cup.

Following the dismantling of the RWC grandstands the Board has resolved to accept management's recommendation and we have ceased operations in the temporary seating business. We are not taking on any new contracts.

Directors' Review

We are now fully committed to a sales program which hopefully will lead to the sale of all of our gear, either in New Zealand or offshore.

Seating Systems Ltd has been a very management intensive company always working to tight timelines.

Forward outlook

We know that shareholders will not be completely happy about our performance in recent reporting periods. We have been working in some very difficult market sectors but we do not put this forward as an excuse for poor performance. Management accepts the need for a continuing intense effort to produce respectable results going forward. We feel that we have turned a number of corners in the last six months and we have made good ground in the finance sector in particular.

Snowdon the manufacturing operation is efficient and as stated earlier has a stable 70% market share in NZ. It is proving difficult for us to cover ever increasing cost inputs because of our limited ability to pass on price increases to our customers. Over the whole Group we have made cost savings wherever possible and at present we are trying to sublet some of our Newmarket office space which is not now required given staff reductions which we have made over this period.

Signed for the Directors of Cynotech Holdings Ltd



Allan Hawkins
Chairman.

Statement of Financial Position *as at 30 September 2011*

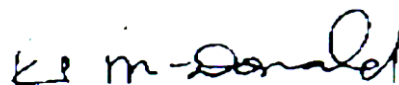
In thousands of NZD

	CONSOLIDATED		
	Unaudited 6 Months 30 September 2011	Unaudited 6 Months 30 September 2010	Audited 12 Months 31 March 2011
Assets			
Cash and cash equivalents	200	134	414
Trade and other receivables	621	534	423
Finance receivables	2,093	2,642	2,256
Loan receivables - designated at fair value	6,729	7,943	6,434
Securitised assets	1,800	-	1,960
Inventories	259	393	247
Property and plant held for sale	966	1,132	966
Property, plant and equipment	1,959	1,921	2,040
Investment in associates	657	2,345	952
Deferred tax asset	178	-	-
Total assets	15,462	17,044	15,692
Liabilities			
Bank Overdraft	-	250	99
Trade and other payables	2,057	820	1,324
Deposits	4,361	4,373	4,499
Interest bearing loans and borrowings	5,467	5,084	5,484
Liability relating to securitised assets	1,800	-	1,960
Convertible preference shares	-	20	-
Capital Securities	641	552	668
Deferred tax liability	-	279	-
Total liabilities	14,326	11,378	14,034
Equity			
Ordinary Shares	18,220	17,579	18,220
Convertible preference shares	-	641	-
Capital Securities	1,137	1,137	1,137
Accumulated losses	(18,221)	(13,691)	(17,699)
Total equity	1,136	5,666	1,658
Total equity and liabilities	15,462	17,044	15,692

On behalf of the Directors 18th November 2011



Allan Hawkins - Chairman



Kevin Mc Donald - Deputy Chairman

Statement of Comprehensive Income *for the 6 months ended 30 September 2011*

In thousands of NZD

	GROUP		
	Unaudited 6 Months	Unaudited 6 Months	Audited 12 Months
	30 September 2011	30 September 2010	31 March 2011
Revenue			
Interest income - finance receivables - not impaired	130	407	266
Interest income - finance receivables - impaired	247	-	385
Fees received	28	56	105
Gain on loan receivables - designated at fair value	1,189	2,480	2,145
Bank interest	1	1	2
Sales of goods	1,446	1,729	4,338
Rental Income	44	29	65
Other Income	58	2	17
Total operating revenue	3,143	4,704	7,323
Operating expenses			
Audit fees	60	40	130
Depreciation	90	76	182
Directors fees	9	23	44
Distribution costs	153	155	381
Employee remuneration	866	928	1,785
Interest expense			
Deposits	550	258	513
Interest bearing loans and borrowings	59	388	740
Notional interest on compound instruments	42	42	284
Manufacturing costs	27	49	112
Office and administration	330	240	573
Credit and collection expenses	173	263	421
Other expenses	266	263	505
Properties held for sale impairment loss	-	-	166
Receivables impairment loss	130	133	399
Raw materials and consumables used	774	989	2,494
Rental and operating lease costs	250	273	494
Impairment of investment in associate	64	383	2,198
Total operating expenses	3,843	4,503	11,421
(Loss)/profit before income tax	(700)	201	(4,098)
Income tax credit / (expense)	178	(134)	146
Total comprehensive losses for the period attributable to shareholders of the Company	(522)	67	(3,952)

Statement of Changes in Equity *for the 6 months ended 30 September 2011*

In thousands of NZD

GROUP	NOTES	Unaudited Ordinary shares	Unaudited Conv. Pref. shares	Unaudited Capital Securities	Unaudited Accum. losses	Unaudited Total equity
Balance at 1 April 2010		17,579	641	1,137	(13,747)	5,610
Total comprehensive income for the period						
Profit/(loss)		-	-	-	(3,952)	(3,952)
Total comprehensive income for the period		-	-	-	(3,952)	(3,952)
Contributions by and distributions to owners						
Conv. Pref. Shares converted to ordinary shares		641	(641)	-	-	-
Total contributions by and distributions to owners		641	(641)	-	-	-
Balance at 31 March 2011		18,220	-	1,137	(17,699)	1,658
Balance at 1st April 2010		17,579	641	1,137	(13,747)	5,610
Total comprehensive income for the period						
Profit/(loss)		-	-	-	67	67
Total comprehensive income for the period		17,579	641	1,137	(13,680)	5,677
Contributions by and distributions to owners						
Dividends paid - convertible pref. shares		-	-	-	(11)	(11)
Total contributions by and distributions to owners		-	-	-	(11)	(11)
Balance at 30th September 2010		17,579	641	1,137	(13,691)	5,666
Balance at 1 April 2011		18,220	-	1,137	(17,699)	1,658
Total comprehensive income for the period						
Profit/ or (loss)		-	-	-	(522)	(522)
Total comprehensive income for the period		-	-	-	(522)	(522)
Contributions by and distributions to owners						
Total contributions by and distributions to owners		-	-	-	-	-
Balance at 30 September 2011		18,220	-	1,137	(18,221)	1,136

Statement of Cash Flows *for the 6 months ended 30 September 2011*

In thousands of NZD

	Unaudited 6 Months 30 September 2011	GROUP Unaudited 6 Months 30 September 2010	Audited 12 Months 31 March 2011
Net cash from/(used in) operating activities			
Cash was provided from:			
Receipts from sale of goods and services	1,274	2,046	4,958
Fees received	28	56	105
Repayments from finance and loan receivables	933	4,842	3,102
Interest income received	375	408	688
Tax refund	-	247	247
Cash was applied to:			
Payments to suppliers and employees	(2,171)	(3,619)	(6,760)
Increase in loan advances to customers	-	(185)	-
Interest expense paid	(609)	(646)	(1,252)
Net cash flows used in operating activities	(170)	3,149	1,088
Cash flows from/(used in) investing activities			
Cash was provided from:			
Proceeds from disposal of subsidiary	49	-	-
Investment increase in related party	-	79	-
Cash was applied to:			
Advance to associates	230	-	(607)
Purchase of property, plant and equipment	-	(21)	(235)
Net cash flows used in investing activities	279	58	(842)
Cash flows from/(used in) financing activities			
Cash was provided from:			
Proceeds from deposits	823	-	1,884
Proceeds from interest bearing loans	17	-	945
Cash was applied to:			
Repayment of deposits	(961)	-	(1,791)
Repayment (increase) of interest bearing loans	(34)	(3,486)	(997)
Redemption of Cynotech capital securities	(27)		
Convertible preference share dividend	-	(11)	(21)
Capital securities dividend	(42)	(42)	(167)
Net cash flows from financing activities	(224)	(3,539)	(147)
Net increase in cash and cash equivalents	(115)	(332)	99
Cash and cash equivalents balances at beginning of the period	315	216	216
Cash and cash equivalents at end of period	200	(116)	315
Presented as;			
Cash and cash equivalents	200	134	414
Bank overdraft	-	(250)	(99)
Net Cash and cash equivalents at end of period	200	(116)	315

1. Significant accounting policies

Reporting Entity

Cynotech Holdings Limited is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. Cynotech Holdings Limited (the "Company") is an issuer in terms of the Financial Reporting Act 1993. The company is a profit-oriented entity. The interim financial statements of the Company for the six month ended 30 September 2011 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associate companies. The registered office is located at level 4, 20 Kent Street, Newmarket, Auckland, New Zealand.

The principal activities of the Group are;

- Finance company lending for personal loans , vehicles and equipment
- Debt collection services
- Food manufacturing and distribution

The interim financial statements were authorised for issuance on 18th November 2011.

(a) Statement of compliance

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IAS 34 interim Financial Reporting. The interim financial statements do not include all of the information required for full annual financial statements.

The interim financial statements are stated in New Zealand Dollar and have been rounded to the nearest thousand dollars unless stated otherwise.

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its financial statements for the year ended 31 March 2011.

2 Segment Information

Segment information is presented in the interim financial statements in respect of the Group's operating segments. Operating segments are based on the Group's management and internal reporting structure. All operating segments' operating results are reviewed regularly by the Group's Chairman to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The Group consisted of the following main operating segments:

Operating segments	Products and Services
Finance	Finance company lending for personal loans , vehicles and equipment Debt collection activities
Manufacturing	Manufactures and distributes cone and waffle products.
Other	Investment and Group Head Office operations

	Unaudited	GROUP	Audited
	6 Months	6 Months	12 Months
	30 September	30 September	31 March
	2011	2010	2011
Segment Assets			
Finance	8,827	10,604	20,460
Manufacturing	2,687	2,716	3,000
Associated companies and other assets	13,161	3,724	3,412
Adjustments	(11,013)	-	(11,180)
	13,662	17,044	15,692
Segment Liabilities			
Finance	9,506	9,037	11,158
Manufacturing	938	732	915
Bank Term Loan & Tax	-	859	-
Associated companies and other Liabilities	2,082	750	1,961
Consolidated	12,526	11,378	14,034
Revenue			
Finance	1,621	2,715	2,873
Manufacturing	1,492	1,729	4,338
Other	728	260	1,505
Adjustments	(698)	-	(1,393)
Consolidated	3,143	4,704	7,323
Net Profit for the period			
Finance	(31)	480	(840)
Manufacturing	(43)	(111)	102
Other	(626)	(168)	(3,360)
Tax	178	(134)	146
Consolidated	(522)	67	(3,952)

Notes to the Financial Statements *for the 6 months ended 30 September 2011*

3. Financial Risk Management

The Company has in place risk management programs 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.

Unaudited

GROUP 6 Months to September 2011	Carrying amount \$'000	Gross nominal inflow / (outflow) \$'000	On demand \$'000	1-6 months \$'000	6 months to 1 year \$'000	1 year to 2 years \$'000	2-5 years \$'000	Over 5 years \$'000
Financial assets								
Cash balances	200	200	200	-	-	-	-	-
Finance receivables	2,093	3,432	-	931	461	533	1,400	107
Trade and other receivables	621	621	-	621	-	-	-	-
Advance to associate	657	703	-	703	-	-	-	-
Loan receivables - fair value	6,729	14,344	-	101	63	12,899	1,223	58
Securitised assets	1,800	2,385	-	374	374	857	780	-
Total assets	10,300	19,300	200	2,356	524	13,432	2,623	165
Financial liabilities								
Deposits	4,361	4,405	-	3,994	346	65	-	-
Trade and other payables	2,057	2,057	-	2,057	-	-	-	-
Capital securities*	641	2,200	-	128	117	223	606	1,126
Interest bearing loans	5,467	5,811	-	4,918	149	86	268	390
Liability relating to securitised assets	1,800	2,385	-	374	374	857	780	-
Total liabilities	12,526	14,473	-	11,097	612	374	874	1,516
Liquidity gap	(2,226)	4,827	200	(8,741)	(88)	13,058	1,749	(1,351)

Unaudited

GROUP

6 Months to September 2010

Financial assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash balances	134	134	134	-	-	-	-	-
Finance receivables	2,642	3,936	683	640	481	851	1,176	105
Trade and other 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
Total assets	13,598	17,519	975	2,965	2,103	3,321	7,806	349
Financial liabilities								
Overdraft	250	250	250	-	-	-	-	-
Deposits	4,373	4,883	-	1,973	2,910	-	-	-
Trade and other payables	820	820	-	820	-	-	-	-
Convertible preference shares	20	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	-
Total liabilities	11,099	14,324	1,750	3,382	3,469	3,231	687	1,805
Liquidity gap	2,499	3,195	(775)	(417)	(1,366)	90	7,119	(1,456)

Audited

GROUP

12 Months to Mar 2011

Financial assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash balances	414	414	414	-	-	-	-	-
Finance receivables	2,256	3,301	-	638	467	721	1,284	191
Trade and other receivables	423	423	-	420	3	-	-	-
Advance to associate	952	1,344	-	13	14	30	114	1,173
Loan receivables - fair value	6,434	12,239	-	1,360	1,360	2,720	6,119	680
Securitised assets	1,960	2,545	-	454	454	857	780	-
Total assets	12,439	20,266	414	2,885	2,298	4,328	8,297	2,044
Financial liabilities								
Overdraft	99	99	99	-	-	-	-	-
Deposits	4,499	4,596	-	4,127	211	258	-	-
Trade and other payables	1,324	1,324	-	1,324	-	-	-	-
Capital securities*	1,805	2,639	-	83	83	167	501	1,805
Interest bearing loans	5,484	7,828	-	4,813	588	556	1,450	421
Liability relating to securitised assets	1,960	2,545	-	454	454	857	780	-
Total liabilities	15,171	19,031	99	10,801	1,336	1,838	2,731	2,226
Liquidity gap	(2,732)	1,235	315	(7,916)	962	2,490	5,566	(182)

*Capital securities are only redeemable at the Company's option and attract dividends at 9.25% per annum until redeemed if the Directors resolve to pay a dividend.

Notes to the Financial Statements *for the 6 months ended 30 September 2011*

5. Cash and Cash Equivalents

	GROUP		
	Unaudited 6 Months	Unaudited 6 Months	Audited 12 Months
	30 2011	30 2010	31 March 2011
	\$'000	\$'000	\$'000
Current Assets			
Cash at bank	200	134	414
Bank Overdraft	-	(250)	(99)
	200	(116)	315

6. Finance Receivables

	GROUP		
	Unaudited 6 Months	Unaudited 6 Months	Audited 12 Months
	30 September 2011	30 September 2010	31 March 2011
	\$'000	\$'000	\$'000
Finance receivables	3,099	3,964	3,676
Less impairment loss allowance	(1,006)	(1,322)	(1,420)
Total net receivables	2,093	2,642	2,256
Repayment terms			
-Current (less than 12 months)	184	303	1,447
-Non current (over 12 months)	1,909	2,339	809
Total net receivables	2,093	2,642	2,256

The range of terms to final maturity date of finance receivables are from 1 month to 60 months (2010: 1 month to 60 months).

The range of standard rates of finance receivables are from 16.5% pa to 29.5% pa (2010: 16.5% pa to 29.5% pa).

As at 30 September 2011, the amount owed (net of impairment) in aggregate by the six largest loans was \$110,287 (2010: 204,137).

As at 30 September 2011, 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 (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

	GROUP					
	Current \$'000	1-30 days \$'000	30-60 days \$'000	60-90 days \$'000	Over 90 days \$'000	Total \$'000
Unaudited 6 Months September 2011						
Finance receivables	1,392	422	62	32	24	1,932
Finance receivables individually impaired	-	-	-	-	1,167	1,167
Impairment allowance	-	-	-	-	(1,006)	(1,006)
	1,392	422	62	32	185	2,093
	66.5%	20.2%	3.0%	1.5%	8.8%	100.0%
Unaudited 6 Months September 2010						
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%
Audited 12 Months March 2011						
Finance receivables	1,167	642	179	42	-	2,030
Finance receivables individually impaired	261	78	18	102	1,187	1,646
Impairment allowance	(151)	(37)	(6)	(92)	(1,134)	(1,420)
	1,277	683	191	52	53	2,256
	56.6%	30.3%	8.5%	2.3%	2.3%	100.0%

Notes to the Financial Statements *for the 6 months ended 30 September 2011*

8. Impairment Allowance - for finance receivables

Reconciliation of impairment allowances.	GROUP		
	Unaudited 6 Months	Unaudited 6 Months	Audited 12 Months
	30 September	30 September	31 March
	2011 \$'000	2010 \$'000	2011 \$'000
Balance at beginning of period	1,420	2,966	2,966
Impairment loss for the period	291	409	825
impairment recovered during the period	(705)	(2,190)	(2,371)
Net change recognised in profit or loss	(414)	(1,781)	(1,546)
Balance at end of period	1,006	1,185	1,420

Analysis of Finance receivables and impairment

Unaudited

6 Months to September 2011

	Carrying Value	Not Past Due & Not Impaired	Past Due & Not Impaired	Impaired
Current finance receivables	1,932	1,392	540	-
Finance receivables individually impaired	1,167	-	-	1,167
Impairment	(1,006)	-	-	(1,006)
	2,093	1,392	540	161

Unaudited

6 Months to September 2011

	Carrying Value	Not Past Due & Not Impaired	Past Due & Not Impaired	Impaired
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

Audited

12 Months to March 2011

	Carrying Value	Not Past Due & Not Impaired	Past Due & Not Impaired	Impaired
Current finance receivables	2,030	1,167	863	-
Finance receivables individually impaired	1,646	-	-	1,646
Impairment	(1,420)	-	-	(1,420)
	2,256	1,167	863	226

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

It is impracticable to estimate the fair value of collateral held because of the average size of each advance outstanding, the number of advances outstanding, the term to maturity of each advance and the wide variety and condition of each asset financed. The Group will, in the first instance, attempt to collect the outstanding debt without recourse to the secured asset. In some instances third party legal advice is utilised to assist the in-house collection procedure. Repossession of secured assets occurs only in limited circumstances and where it is effective to do so.

Notes to the Financial Statements *for the 6 months ended 30 September 2011*

9. Secured and Unsecured Deposits

		Interest rates	GROUP		
			Unaudited 6 Months 30 September 2011	Unaudited 6 Months 30 September 2010	Audited 12 Months 31 March 2011
			\$'000	\$'000	\$'000
Deposits due within 12 months	Unsecured		2,740	4,033	2,943
Deposits due within 12 months	Secured		1,564	-	1,556
Term deposits due greater than 1 year	Unsecured		57	340	-
Total deposits			4,361	4,373	4,499
Analysis of interest rates on deposits:					
		8.00%	-	181	-
		9.50%	155	170	162
		10.00%	-	99	-
		11.00%	254	255	256
		11.25%	140	195	153
		11.50%	100	100	100
		12.00%	3,451	3,131	3,577
		13.00%	50	50	50
		13.50%	211	192	201
Total deposits			4,361	4,373	4,499
Related party deposits included in the above:					
		12.00%	-	-	15
		11.00%	51	51	53
		12.00%	539	301	524
		8.00%	-	181	-
		10.00%	-	99	-
		12.00%	25	-	187
		12.00%	-	70	20
		12.00%	35	-	82
		12.00%	1	4	5
		12.00%	-	2	3
		12.00%	-	115	-
		13.50%	211	193	201
			862	1,016	1,090
Interest paid to related parties:					
		12.00%	-	-	1
		11.00%	3	2	5
		12.00%	28	6	31
		13.00%	-	90	-
		8.00%	-	6	-
		10.00%	-	4	-
		12.00%	1	-	3
		12.00%	-	-	3
		12.00%	3	-	8
		12.00%	-	7	-
		13.50%	9	13	17
			44	128	68

Notes to the Financial Statements *for the 6 months ended 30 September 2011*

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		
		Unaudited 6 Months 30 September 2011 \$'000	Unaudited 6 Months 30 September 2010 \$'000	Audited 12 Months 31 March 2011 \$'000
Current liabilities				
Secured loans-Wairahi Trust (GSA over National Finance Loan book) (\$3,104,145)	13.00%	3,000	2,999	3,000
Finance Liability -Goodman Fielder (PPSR security over Snowdon Limited plant and equipment)(\$104,434)	9.50%	18	45	25
Secured loans (Mortgage Security over Property held for resale) (\$966,150)	12.00%	320	535	315
Secured Loans -Cynotech Securities Limited (GSA over Evolution Finance Limited)(\$2,957,488)	13.00%	1,505	1,505	1,506
Secured loans - European Financial Services (PPSR security over Motor vehicle) (\$173,974)	12.25%	132	-	52
Secured loans - Avanti Finance Limited (PPSR security over Motor vehicle) (\$16,313)	15.95%	9	-	-
		4,984	5,084	4,898
Non-Current liabilities				
Secured loans (Mortgage Security over Property held for resale) (\$966,150)	9.08%	464	-	471
Finance Liability - Goodman Fielder (PPSR security over Snowdon Limited plant and equipment) (\$104,434)	9.50%	11	-	8
Secured loans - European Financial Services (PPSR security over Motor vehicle) (\$173,974)	12.25%	-	-	107
Secured loans - Avanti Finance Limited (PPSR security over Motor vehicle) (\$16,313)	15.95%	8	-	-
		483	-	586
		5,467	5,084	5,484
The secured loans are guaranteed as follows				
Guarantee	A.R. Hawkins	-	535	711

Under the terms of the finance lease agreements no contingent rents are payable.

The loan of \$783,734 is secured over the property held for sale (valued at \$966,150). This loan will be repaid on sale of the properties.

The Company has guaranteed the Interest Bearing Loans and Borrowings entered into by its subsidiaries for \$5,317,550 (30 September 2010: 5,084,456).

The primary obligation for the amounts due by subsidiaries to third parties is recorded in the financial accounts of the subsidiary company.

The guarantee obligation of the Company is treated as nil in the financial accounts of the Company because the guaranteed subsidiaries have sufficient resources to finalise the primary obligation.

11. Reconciliation of Operating Cashflows

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

	GROUP		
	6 Months 30 September 2011 \$'000	6 Months 30 September 2010 \$'000	12 Months 31 March 2011 \$'000
Profit/Loss) for the year	(522)	67	(3,952)
Non cash items and other add backs			
Depreciation	32	73	168
Movement in Deferred tax	(178)	134	(146)
Fair value movement of property held for sale	-	-	166
Impairment of plant and equipment	-	-	-
Receivables impairment loss	130	133	399
Decrease in receivables	(262)	3,811	991
Impairment of investment in and advances to associates	-	180	1,829
Share of losses from associate	64	203	369
Loss/(Gain) on revaluation of loan book	-	(1,449)	-
	(214)	3,085	3,776
Movement in working capital			
Decrease/(increase) in trade and other receivables	(155)	288	967
Decrease/(increase) in inventory	(12)	47	193
Increase/(decrease) in trade creditors other payables & provisions	733	(338)	104
	566	(3)	1,264
Net cash inflows/(outflows) from operating activities	(170)	3,149	1,088

Shareholder and Additional Statutory Information

12. Net tangible assets per share

	Unaudited 6 Months 30 2011	Unaudited 6 Months 30 September 2010
NTA per capital security	1.51	5.30
NTA per ordinary share	0.05	0.41

Principal Security Holders as at 30 September 2011

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
David Clifford Young	254,296	0.21
Gerard John McCabe	250,000	0.20
Total top 20 holders	110,125,743	89.60
Total securities on issue	122,885,996	

Principal Capital Securities Holders as at 30 September 2011

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	16.07
Cynotech Securities Ltd	188,008	10.58
M. Daniel, N. Burton, M. Benjamin	157,480	8.86
Newmarket Securities Ltd	135,722	7.64
FNZ Custodians Ltd	42,751	2.41
Guardian Trust Investment Nominees Ltd	41,667	2.34
Cynotech Finance Ltd	39,870	2.24
Brian Mackenzie & G. Newlove	29,784	1.68
Glenn & Sonja Hawkins	29,129	1.64
Allan & Lynne Nobilo	28,197	1.59
J McMillan, B. Lawler, L. Lawler	24,627	1.39
Tribal Nominees Ltd	22,016	1.24
Polar Blast Ltd	21,657	1.22
Kevin Patrick McDonald	21,570	1.21
Wairahi Holdings Ltd	19,828	1.12
Norman & Josephine Godden	18,906	1.06
Malamute Investments Ltd	18,062	1.02
Glenn Hawkins	17,267	0.97
Elizabeth Anne Margaret Craddock	16,198	0.91
Ace Finance Ltd	15,578	0.88
Total top 20 holders	1,173,928	66.07
Total securities on issue	1,777,576	