

APPLE FIELDS LIMITED

Interim Report
Monday, March 31, 2008

DIRECTORS' REPORT

The Apple Fields Group made a profit for the half year to 31 March 2008, before minority interests, of \$635,000 compared with \$235,000 for the prior half year. Shareholders' funds at 31 March 2008 stand at \$4,608,000, compared to \$3,571,000 at 30 September 2007.

During the half year the Group adopted NZIFRS accounting policies which required that \$401,000 previously recognised as debt be recognised as equity because the lender can not force repayment. All comparative figures have been restated to reflect this change.

The Group has had two significant events occur during the half year that have contributed to the reported performance:

1. Titles for the subdivision being undertaken by Takamatua West Limited on Banks Peninsula were issued in late March 2008. Four of the eight pre-sales settled early in April, arbitration determined that three of the remainder will settle forthwith and the Group's lawyers are enforcing the last contract. These accounts recognise the first four settlements and value the other four at sales value less estimated settlement costs.
2. A contract for the sale of 70% of the land at Noble Gardens in Yaldhurst was entered into and announced in December 2007. The first part of this sale now satisfies the accounting standards for revenue recognition so has been included in these accounts along with the appropriate costs.

The development financier for the Takamatua development has requested that their loan be repaid and negotiations are under way with a number of parties to replace this facility. The Group are considering various options to add further value to the site given that the sections are extremely well placed and in a cluster that lends itself towards homogenous development.



Director
30 May 2008

DIRECTORY

Directors Gordon Stewart (Chair)
Justin Prain
Mark Schroeder

Registered Office 203 Cambridge Terrace
PO Box 1948
Christchurch
Telephone: (03) 365 4433
Facsimile: (03) 379 0377

Share Registry Computershare Investor Services
Limited
Private Bag 92 119
Auckland

CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 31 March 2008 (Unaudited)

12 Months 30-Sep-07 \$'000		6 Months 31-Mar-08 \$'000	6 Months 31-Mar-07 \$'000
(2,195)	Net cash flow from operating activities	(594)	(1,351)
259	Net cash flow from investing activities	(1)	-
1,919	Net cash flow from financing activities	545	1,318
(17)	Net increase (decrease) in cash held	(50)	(33)
67	Opening cash position	50	67
50	Closing cash position	-	34

RECONCILIATION OF NET SURPLUS (DEFICIT)
WITH CASH FLOWS FROM OPERATING ACTIVITIES
for the six months ended 31 March 2008 (Unaudited)

1,464	Net surplus (deficit) after taxation	636	235
	Plus (less) non cash items		
877	Interest added to loan principal	201	295
831	Other non-cash expenditure	6	54
	Income added to investment	(1,914)	(1,283)
	Movement in working capital		
(2,174)	Development of property intended for resale	2,287	(1,219)
(355)	Increase (decrease) in creditors and accruals	(1,221)	598
(2,838)	Decrease (increase) in debtors and advances	(589)	(31)
(2,195)	Net cash flow from operating activities	(594)	(1,351)

COMMITMENTS AND CONTINGENCIES
as at 31 March 2008 (Unaudited)

-	Capital commitments	50	50
-	Operating lease commitments	-	-
7,452	Contingent liabilities	7,592	2,768

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2008 (Unaudited)

30-Sep-07 \$'000 Restated		31-Mar-08 \$'000	31-Mar-07 \$'000 Restated
	Equity		
39,515	Share capital	39,516	38,419
401	Reserves	401	401
(35,944)	Retained earnings (deficit)	(35,309)	(37,173)
3,972	Attributable to parent entity shareholders	4,608	1,647
-	Minority interest	-	-
3,972	Total equity	4,608	1,647
	<i>Represented by :</i>		
	Current assets		
50	Cash on hand and money on deposit	-	34
507	Debtors, advances and investments	1,096	118
7,448	Properties intended for sale	5,161	6,493
8,005	Total current assets	6,257	6,645
	Non current assets		
-	Fixed Assets	1	-
4,689	Investments	6,597	3,319
4,689	Total non-current assets	6,598	3,319
12,694	Total assets	12,855	9,964
	Current liabilities		
2,864	Creditors and accruals	1,643	3,324
5,226	Current portion of long term borrowings	6,604	4,993
8,090	Total current liabilities	8,247	8,317
	Non current liabilities		
632	Term borrowings	-	-
632	Total non-current liabilities	-	-
8,722	Total liabilities	8,247	8,317
3,972	Net assets	4,608	1,647

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
for the six months ended 31 March 2008 (Unaudited)

12 Months 30-Sep-07 \$'000		6 Months 31-Mar-08 \$'000	6 Months 31-Mar-07 \$'000
2,709	Operating revenue	4,334	1,310
16	Interest revenue	20	11
(1,136)	Operating expenses	(3,170)	(769)
(125)	Interest expense	(548)	(317)
1,464	Operating surplus (deficit) before taxation	636	235
-	Taxation	-	-
1,464	Net surplus (deficit) after taxation	636	235
-	Minority interests	-	-
1,464	Net surplus (deficit) after taxation attributable to shareholders of the parent company	636	235

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
for the six months ended 31 March 2008 (Unaudited)

Restated			
1,412	Opening equity	3,972	1,412
1,464	Net surplus (deficit) attributable to:	636	235
-	- parent company shareholders	-	-
-	- minority shareholders	-	-
1,464	Total recognised revenues and expenses	636	235
1,096	Shares Issued	-	-
3,972	Closing equity	4,608	1,647