

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Company No: 2194369

Refer to: Mike Lamacraft

Receivers' First Report on the State of Affairs

of

Dalgety Stone Limited (In Receivership)

"The Company"

Introduction

Jeffrey Philip Meltzer and Michael Lamacraft were appointed Receivers and Managers in respect of all the company's undertaking and all its real and personal property and all its assets and effects whatsoever and wheresoever both present and future, including its uncalled and unpaid capital, on 4th Sept 2009. We were appointed under powers contained within a general security agreement dated 5 January 2009 in favour of Trethewey Properties Limited care of P O Box 63, Auckland.

Events Leading to the Appointment of Receivers

We are advised that the owners purchased the business in January 2009 but trading did not commence until late February. The Company was unable to generate sufficient sales to enable its commitments to be honoured. Additional working capital was not available. The Company fell behind with loan commitments and the secured lender made demand for repayment of its loan. This could not be satisfied and therefore receivers were appointed.

Trading On

Having reviewed the available worth in progress and forecast sales the receivers decided to continue to trade the business in the short term, with the aim of achieving a sale of the business as a going concern.

Proposal for Disposal of Receivership Property

The business and assets will be advertised for sale as a going concern. If a sale cannot be achieved alternative methods of disposal will be considered.

Amounts Owing to the Charge Holder

At the date of our appointment approximately \$320,000 was owed to the appointer, Trethewey Properties Limited.



Preferential Creditors

According to the records of the Company the amounts owing to preferential creditors as at the date of our appointment are set out below. These amounts are subject to verification:

Employees claims (Holiday pay)	\$30,000
IRD (GST & PAYE)	\$47,000

Unsecured Creditors

At this stage it is too early to assess the outcome and impact of the receivership on the claims of unsecured creditors. Unsecured creditors claims total \$254,000 according to the company's records.

Particulars of Assets and Liabilities

We attach particulars of the assets and liabilities of the company.

Disclaimer of Liability

As required by Section 23 of the Receiverships Act 1993, this report has been prepared by the Receivers and is available to all persons entitled to receive it under Section 26 of the Receiverships Act.

The report is based on information that has been disclosed to the Receivers at the date of the report. The information has been gathered from various sources (including the books and records of the company), and has not been verified by the Receivers and the Receivers have accepted without review information and explanations that have been provided to them.

Some figures are estimates only. Statements of intention or forecasts of possible outcomes are subject to change upon new information being disclosed to the Receivers.

The Receivers accordingly make no representation or warranty as to the accuracy or completeness of the information contained in this report, and shall not be liable for any statements, information or matters (whether express or implied) contained in, or derived or omitted from, this report. The Receivers shall not be responsible for the reliance of any person on information contained in, or derived, or omitted from, this report.

The Receivers are agents of the company, and shall not be subject to personal liability for any act, omission or statement (whether negligent or otherwise) made or omitted, arising out of this report.

M Lamacraft
Receiver and Manager

Statement of Affairs
Dalgety Stone Limited (In Receivership)
As at the Date of the Appointment of Receiver
Being 4 September 2009

	<i>Estimated to Realise</i>	<i>Owed to Secured Creditor</i>	<i>Estimated Realisable Value</i> \$
Assets specifically pledged:			
Plant and Equipment (specific charge)	N/K	(500,000)	Not Known
Plant and Equipment, Furniture (GSA)	N/K	(320,000)	Not Known
Estimated outcome as regards secured creditors			<u>Not Known</u>
Assets not specifically pledged:			
Stock			Not Known
Debtors			<u>30,000</u>
Estimated Total Assets Available for Preferential Creditors and Secured Creditors			Not Known
First Ranking Preferential Creditors			
Holiday Pay (includes PAYE)			(30,000)
Second Ranking Preferential Creditors			
Inland Revenue Department	GST	(11,500)	
	PAYE	(35,500)	<u>(47,000)</u>
Estimated Total Assets Available for Secured Creditors			Not Known
Secured Creditors shortfall brought down (GSA)			Not Known
Estimated outcome as regards Secured Creditor (GSA)			Not Known
Unsecured Creditors			(254,000)
Outcome as regards specific charge brought down			Not Known
Estimated outcome as regards Unsecured Creditors			<u>Not Known</u>

Note: The above estimates are subject to the costs of realisation, including Receivers' fees.

Disclaimer of Liability:

We have compiled the Statement of Affairs as at the date of Receivership being 4 September 2009.

A compilation is limited to the collection, classification and summarisation of the books and records of the company together with information supplied by the Directors. A compilation does not involve the verification of that information. We have not carried out an audit or reviewed the information supplied and therefore we do not accept any responsibility for the accuracy of the information from which the Statement of Affairs has been prepared. Further, the Statement of Affairs has been prepared for the purpose of the liquidation only, and we do not accept any responsibility on any ground whatever, including liability in negligence, to any other person.

M Lamacraft
Receiver and Manager

3 November 2009