

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

No. of Company: 822538

Liquidators' Further Report

Darrak Produce Markets Limited (In Liquidation)

For the period to 28 January 2010

Introduction

Darrak Produce Markets Limited was placed into voluntary liquidation in Auckland on 29 July 2009 and Karen Betty Mason and Lloyd James Hayward were appointed joint and several Liquidators.

In accordance with section 255 of the Companies Act 1993 the Liquidators are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six months. This report covers the period 28 January 2010.

Schedule of Receipts and Payments

A schedule of receipts and payments is attached.

Asset Realisations

Trade debtors have been realised to a significant extent with approximately \$100,000 remaining to be recovered. The ledger does contain potential bad debts and amounts where the debtor is also a creditor where a setoff applies. At this time it is uncertain what potential value remains in unrecovered trade debt. SH Lock were debt factors who held title to the trade debt recoveries until its debt was paid in full. Trade debtors continued to pay SH Lock direct, however some debtors chose to pay the Liquidators direct. Ultimately the Liquidators were obliged to forward \$88,907.77 to SH Lock to satisfy its claim in full.

All plant, equipment office furniture and equipment etc was sold by way of public auction.

Dividends

The Liquidators have received claims from two parties advising of a security interest in the balance of the asset realisations. These parties are Ivan & Kathleen Rakich and Kaiaponi Farms Limited. The Liquidators' legal counsel has advised that the claim by Ivan and Kathleen Rakich is valid and holds a priority over the claim of Kaiaponi Farms Limited. Subject to costs and resolution of the dispute between these secured parties all funds held by the Liquidators will be paid to a secured lender.

Jeff Meltzer

Karen Mason

Arron Heath



As a consequence the Liquidators advise that there will be no funds available for distribution to unsecured creditors.

Liquidators' Investigations

The Liquidators have commenced an initial review of the affairs of the company; however that review is not complete. On completion the Liquidators will report to the Liquidation Committee.

Outstanding Matters

The outstanding matters are:

1. Resolution of the dispute between the secured creditors; and
2. Completion of the initial review and reporting to the Liquidation Committee.

Please contact Lloyd Hayward of this office should you require any further information.

Dated this 4th day of March 2010

L J Hayward
Liquidator

Darrak Produce Markets Limited (In Liquidation)

Receipts and Payments

For the period to 28 January 2010

	\$
Receipts	
Trade Debtors	237,738.19
Dividend received	320.00
Proceeds of Bank Account	40,416.86
Plant & Equipment Realisation	78,621.27
IBD Interest	629.43
GST Income	16,868.85
	<hr/>
	374,594.60
Payments	
Liquidators' Remuneration	57,319.30
Liquidators' Disbursements	3,444.42
Advertising	619.39
Auctioneer's Commission	10,479.90
Auction Expenses	3,582.47
Bank Fees	41.00
Cleaning	2,000.00
Debt Collection	12,320.30
Insurance	1,508.99
Rental Agreement	177.78
Legal Fees	1,194.00
Mailout Services	528.65
Meeting Room Hire	324.00
Professional Fees	1,133.00
Security	460.78
Liquidation Wages	8,690.87
PAYE	26,907.29
Preferential Wages & Holiday Pay	66,724.40
Secured Lender	88,907.77
Secured Creditors	821.11
GST Expense	18,388.11
	<hr/>
	305,573.52
Balance as at 28 January 2010	<hr/> 69,021.08 <hr/>

Notes: The funds held are subject to further costs of winding up.