

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Arron Heath

Company No: 967580

Receivers and Managers' Further Report on the State of Affairs

of

Freemont Design & Construction Limited (In Receivership & In Liquidation)

("the Company")

Introduction

Jeffrey Philip Meltzer and Arron Leslie Heath were appointed Receivers and Managers of Freemont Design & Construction Limited on 22 August 2006. This further report covers the period from 23 February 2007 to 22 August 2007.

The Official Assignee at Auckland was appointed Liquidator of the Company on 23 November 2006.

Property Disposed of Since Previous Report

Some items of plant and equipment have been disposed of on behalf of a secured creditor who has received direct the net proceeds of sale.

The offer for the Company's remaining fixed assets, referred to in the Receivers' previous report, did not eventuate and the Company's remaining fixed assets will now be sold at auction on 1 September 2007.

Accounts Receivable

The Company's accounts receivable have been assigned to Easy Factors International Limited.

Amounts Owning to Holders of General Security Agreements

The amounts owing to the holders of General Security Agreements are:



	<i>Amount Owing at 22.08.07 \$</i>
1. ANZ National Bank Limited	Nil
2. Lovegroves Trustee Company Limited /BM Trustee Company Limited	Unknown
3. Easy Factors International Limited	4,180,565
	<u>4,180,565</u>

Preferential Creditors

There has been no change in preferential creditor claims since the previous report. Preferential creditor claims total \$276,650, as follows:

	\$
1. Petitioning Creditor costs	2,707
2. Employees	
Wage Arrears	11,323
Holiday Pay	31,348
	<u>42,671</u>
3. Inland Revenue Department	
PAYE	91,033
GST	140,269
	<u>231,302</u>
	<u>276,680</u>

As provided in Section 30(2) Receiverships Act 1993 preferential claims are payable from the proceeds of accounts receivable and inventory. The Company has no inventory. Provision for payment of preferential creditor claims has been made as part of the assignment of accounts receivable to Easy Factors International Limited. However, recovery of accounts receivable amounts is still doubtful and the possibility that no funds will be available to satisfy the claims of preferential creditors cannot be discounted.

Amounts Likely to be Available for Payment to Unsecured Creditors

The Receivers do not consider it likely that sufficient funds will be realised to enable a payment to be made to the Company's unsecured creditors.

Receipts and Payments

A Statement of Receipts and Payments for the period 23 February 2007 to 22 August 2007 is attached.

Disclaimer

As required by Section 24 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 Act.

This report is based on information that has been disclosed to the Receivers at the date of the report. The information has been received or obtained from various sources 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 in this report are estimates only and are subject to change upon new information being disclosed to or obtained by 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 statement, information or matter (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.

A L Heath
Receiver

27 August 2007

Freemont Design & Construction Limited
(In Receivership & In Liquidation)
Receivership Receipts and Payments for the period
23 February 2007 to 22 August 2007

	\$	\$
Balance carried forward		35,988.41
Receipts		
Advances from Security Holder	94,791.08	
Interest	46.93	
GST Received	<u>13,611.58</u>	
		108,449.59
Payments		
Receivers' Remuneration	23,784.00	
Receivers' Disbursements	77.51	
Bank Fees	61.80	
Garment Rental	154.19	
Insurance	691.59	
Interest	5,950.69	
Legal Fees	20,397.23	
Power	225.00	
Professional Fees	400.00	
Rates	450.00	
Rent	3,833.33	
Reimburse Staff Expenses	4,258.98	
Telephone	8,048.41	
Wages	38,292.15	
Payment to Security Holder	22,666.67	
GST Paid	<u>8,592.04</u>	
		(137,883.59)
Balance carried forward		<u><u>6,554.41</u></u>