

# Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Company No: 1654177

Refer to: Lloyd Hayward

## Receivers' First Report on the State of Affairs

of

## Vegar Properties Limited (In Receivership)

## "The Company"

### Introduction

Karen Betty Mason and Lloyd James Hayward were appointed Receivers and Managers on 7 July 2011 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.

### Events Leading to the Appointment of Receivers

The company owns property at Matakana being part of the Matakana Estates Winery. The BNZ held security on this property in relation to a debt of \$2 million. The property has declined in value and did not support the borrowings on this property.

Aorangi Forests Limited purchased the BNZ debt and took an assignment of its security interest. To protect its position the Aorangi Forests Limited appointed Receivers to the company.

### Trading On

The Receivers intend to realise the assets of the company. The company will not trade.

### Proposal for Disposal of Receivership Property

The assets of the company consist of two. Realisations are expected as follows:

- (a) There is a debt due from Matakana Estates Limited (In Liquidation) of \$1,092,000. There is a general security agreement (GSA) registered in relation to this debt. The Liquidator of Matakana Estates Limited (In Liquidation) has served notice of intention to set aside this security interest. At this time the outcome of this notice is not known. Recovery of this debt will depend on the outcome of the liquidation of Matakana Estates Limited (In Liquidation) and whether the GSA is set aside, and the potential for this is not known at this time.

Jeff Meltzer

Karen Mason

Arron Heath



- (b) The company owns property at Matakana that is part of the Matakana Estate Winery. There is presently a sale & purchase contract on this property, however there is dispute as to whether this contract is unconditional or not. For reasons of commercial sensitivity the Receivers cannot advise their estimate of the potential realisation of this asset

### **Amounts Owing to the Secured Creditor**

The secured creditor is secured by way of mortgage over the land at Matakana and by way of a general security agreement. Presently the secured lender is owed \$2 million plus penalty interest arising.

### **Preferential Creditors**

The existence of any preferential creditors is not known at this time.

### **Unsecured Creditors**

The existence of any unsecured creditors is not known at this time.

### **Particulars of Assets and Liabilities**

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

### **Disclaimer of Liability**

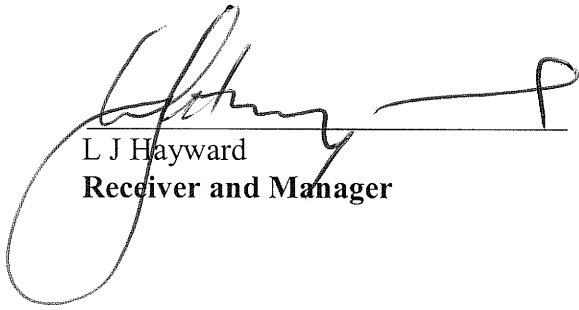
As required by Section 23 of the Receiverships Act 1993, this report has been prepared by the Receivers and is available to all persons entitled to receive it under Section 26 of the Receiverships Act.

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.



L J Hayward  
**Receiver and Manager**

**Statement of Affairs of  
Vegar Properties Limited (In Receivership)  
As at the date of the Appointment of Receivership  
Being 7 July 2011**

		<i>Book Value</i>	<i>Estimated Realisable Value</i>
		\$	\$
<b>Assets not Specifically Pledged:</b>			
Debtors - Matakana Estates Limited (In Liquidation)		1,092,000	<u>Unknown</u>
	<i>Estimated to Realise</i>	<i>Owed to Secured Creditor</i>	
<b>Assets Specifically Pledged:</b>			
Land	Unknown	2,000,000	<u>Unknown</u>
<b>Estimated Total Assets Available for Preferential Creditors and Secured Creditors</b>			<u>Unknown</u>
<i>Less -</i> First Ranking Preferential Creditors			
Wages and Holiday Pay (Includes PAYE)			<u>Nil</u>
<i>Less -</i> Second Ranking Preferential Creditors			
Inland Revenue Department	GST PAYE		<u>Nil</u> <u>Nil</u>
<b>Estimated Total Assets Available for Secured Creditors and Unsecured Creditors</b>			<u>Unknown</u>
<i>Less</i> Secured Creditors			
<b>Estimated Total Deficiency as regards Unsecured Creditors and Shareholders</b>			<u>Unknown</u>
<i>Less</i> Unsecured Creditors			
<b>Total Deficiency as regards Unsecured Creditors and Shareholders</b>			<u>Unknown</u>
<i>Less</i> Issued and Paid Up Capital			
<b>Total Deficiency as regards Unsecured Creditors and Shareholders</b>			<u>100</u> <u>Unknown</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 7 July 2011.

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.

L J Hayward  
Receiver and Manager

7 July 2011