

Receivers first report on the state of affairs of Admiralty Lodge Investments No 2 Limited (In Receivership) and (In Liquidation) 'the company' as at 29 April 2009

Company Number: 1472268

Introduction

Thomas Lee Rodewald and Kenneth Peter Brown were appointed joint receivers and managers of the above company on the 16th day of February 2009.

The appointment arose under the powers contained in a General Security Agreement ("GSA") dated 1 April 2004 which consists of all present and after acquired personal property.

We set out below our first report on the state of the affairs of the above named company as required by section 23 of the Receivership Act 1993.

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Events Leading up to Our Appointment

The company defaulted on a loan agreement with the appointing GSA holder. As a result a formal demand for payment of the loan was made in September 2008. The director and the GSA holder were unable to resolve the issue over a number of months and receivers and managers were eventually appointed.

Assets

The company operated a property development business. The company owns a property in Whitianga, which suffers from weather tight issues. The receivers have obtained a valuation of the property. This value has not been included in the statement of affairs, as it may prejudice a fair sale of the property. The receivers are reviewing a legal opinion obtained by the director pre receivership on remedies available in relation to the weather tight issue.

A BMW motor vehicle has been leased to the director in the short term.

Amounts Owing to the General Security Agreement Holders

At the date of the Receiver's appointment the amounts owing were as follows:

	\$
Bank of New Zealand	1,391,374
Easy Factors International Ltd	<u>1,305,724</u>
	<u>\$2,697,098</u>

Please note the company is one of a number of guarantor's for Easy Factors amount shown. This is shown as a contingent liability. The company has also guaranteed the following debts:

	\$
Catra Properties Ltd (In Receivership) & (In Liquidation)	3,712,462
Carrigafoyle Trust	<u>3,604,030</u>
	<u>7,316,492</u>

Specific Security Creditors

At the date of the receiver's appointment the only specific security creditor was the Bank of New Zealand, with security over the BMW motor vehicle. The amount owing on the vehicle is included in the figure above.

Preferential Creditors

The Inland Revenue Department has lodged a proof of debt with the receivers for the amount of \$36,127.18, being unpaid GST and PAYE.

Unsecured Creditors

The total amount due to unsecured creditors to date is \$1,331,659.46. Due to the extent of the secured creditor claims it is unlikely there will be any funds available for returning to the company, or a liquidator at the conclusion of the receivership for distribution to unsecured creditors.

The company was placed into liquidation by order of the High Court at Hamilton on 23 February 2009.

Assets & Liabilities of the Company

We attach as *Appendix 1* a list of the assets and liabilities of the company at the date of appointment.

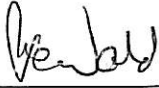
Receipts & Payments

We attach as *Appendix 2* a list of receipts and payments to 29 April 2009.

Also attached is *Appendix 3* a list of creditors as at commencement of the receivership.

Information Provided by the Company

The director of the company has co-operated in making available the information required by the receivers to complete this report.



Thomas Lee Rodewald
Joint Receiver and Manager

Appendix 1

Statement of Assets & Liabilities for Admiralty Lodge Investments No 2 Limited

(In Receivership) & (In Liquidation) as at 16 February 2009

	Estimated Return Value
ASSETS	
Cash on Hand	nil
Residential Property	Confidential
BMW Motor Vehicle	<u>30,000</u>
Total Assets	<u><u>\$30,000</u></u>
LIABILITIES	
CHARGE HOLDERS	
General Security Agreements	
Bank of New Zealand	1,391,374
Easy Factors International Ltd	<u>1,305,724</u>
	2,697,098
CONTINGENT LIABILITIES	
Guarantor for:	
Catra Properties Ltd (In Receivership) & (In Liquidation)	3,712,462
Carrigafoyle Trust	<u>3,604,030</u>
	7,316,492
PREFERENTIAL CREDITORS	
IRD - GST	16,910
- PAYE	<u>19,216</u>
	36,126
UNSECURED CREDITORS	
Trade Creditors	1,646
IRD – Income Tax	1,287,833
- GST (penalties & interest)	20,265
- PAYE (penalties & interest)	<u>21,914</u>
	1,331,658
Total Liabilities	<u>\$11,381,374</u>
Net Deficit	<u><u>\$11,351,374</u></u>
Subject to receivership costs	

Admiralty Lodge Investments No 2 Limited (In Receivership) & (In Liquidation)

Appendix 2

Receipts and Payments from 16 February 2009 to 29 April 2009

GST exclusive

Receipts

GST on income	37.50	
BNZ advance	1,634.97	
Lease of vehicle	<u>300.00</u>	
		\$1,972.47

Payments

GST on expenses	217.69	
Electricity	79.84	
Insurance	408.79	
Legal fees	250.22	
Security	291.47	
Valuation	<u>711.11</u>	
		<u>\$1,959.12</u>

Net Funds

\$ 13.35

Represented By:

BNZ - Trust Account	<u>13.35</u>	
		<u>\$ 13.35</u>

**Admiralty Lodge Investments No 2 Limited
(In Receivership) & (In Liquidation)**

Appendix 3

List of Creditors

Bank of New Zealand	PO Box 995		Auckland 1010
Easy Factors International Ltd	PO Box 47062	Ponsonby	Auckland
Inland Revenue Department	PO Box 432	Albany	Hamilton
Accident Compensation Corporation	PO Box 3248		Wellington
Genesis Energy	Private Bag 3131		Hamilton