

Receiver's first report on the state of affairs of Classical Doors 2007 Limited (In Receivership) 'the company' as at 4 July 2009

Company Number: 1985219

Introduction

Thomas Lee Rodewald and Kenneth Peter Brown were appointed joint receivers and managers of the above company on the 4th day of May 2009.

The appointment arose under the powers contained in a General Security Agreement ("GSA") dated 24 October 2007 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 directors advised that the loss of a major customer shortly after the business was purchased affected the ongoing viability along with competition in the industry, falling margins and the downturn in the economy leading to profitability being affected. High debt servicing costs also contributed and so after discussions with the GSA holder, it was agreed receivers and managers should be appointed.

Trading

Following appointment, the receivers traded the company in a limited manner, whilst advertising the business for sale as a going concern. The receivers believed this would enable the best possible price to be obtained.

Sale of Business

There were a number of parties interested in purchasing the business, but upon completing investigations into the business and the industry most decided not to proceed. Finally a sale of the business was achieved, but at a reduced price. Nevertheless the receivers feel the sale achieved a better result than break up values.

Amounts Owing to the General Security Agreement Holder

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

	\$
Bank of New Zealand	78,622
Bank of New Zealand	<u>733,159</u>
	<u>811,781</u>

Specific Security Creditors

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

	\$
ATS Timber Limited	1,561
SIFCO Distributors Limited	339
Timfin Pacific Limited	<u>246</u>
	<u>2,146</u>

Preferential Creditors

Holiday pay amounting to \$7,783 gross is owed to the staff.

At the commencement of the receivership there was no debt outstanding to the Inland Revenue Department.

Unsecured Creditors

The total amount due to unsecured creditors to date is \$99,376. 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.

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 4 July 2009.

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



Kenneth Peter Brown
Joint Receiver and Manager

Appendix 1

**Statement of Assets & Liabilities for Classical Doors 2007 Limited
(In Receivership) as at 4 May 2009**

	Estimated Return Value
ASSETS	
Cash on Hand	5
Accounts receivable	65,716
Furniture & Fittings	2,800
Machinery & Tools	57,500
Stock	89,606
Vehicles	9,700
Total Assets	<u>225,327</u>
LIABILITIES	
CHARGE HOLDERS	
General Security Agreements	
Bank of New Zealand	811,781
Specific Security Agreements	
ATS Timber Limited	1,561
SIFFCO Distributors Limited	339
Timfin Pacific Limited	246
	<u>2,146</u>
PREFERENTIAL CREDITORS	
Staff – Holiday Pay	7,783
UNSECURED CREDITORS	
Trade Creditors	<u>99,376</u>
Total Liabilities	<u>\$921,086</u>
Net Deficit	<u>\$695,759</u>

Subject to receivership costs

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Classical Doors 2007 Limited (In Receivership)
Receipts and Payments from 4 May 2009 to 4 July 2009

GST exclusive

Receipts

GST on income	4,559.05	
Funds on hand pre receivership	5.50	
Debtors	27,727.70	
Sale of assets	1,155.56	
Sale of business	60,010.00	
Sale of stock	37,500.00	
Receivers Trading	7,589.22	
		138,547.03

Payments

GST on expenses	3,501.56	
Advertising	810.99	
Electricity	166.51	
GST paid	847.03	
Insurance	408.87	
Mail redirection	128.89	
PAYE paid	1,139.34	
Receivers fees	11,426.16	
Rent	8,666.66	
Stationery	19.21	
Security	87.00	
Stock purchases	531.00	
Telephone	381.13	
Transport costs	432.00	
Valuation	1,230.00	
Wages	5,538.49	
Trading Expenses	3,723.88	
		39,038.72

Net Funds

\$ 99,508.31

Represented By:

National Bank - Trust Account	99,508.31
National Bank - Trust Call Account	-

\$ 99,508.31