rhb
Chartered Accountants

CHARTERED ACCOUNTANTS

Phone: +64 7 571 6280
Fax: +64 7 571 6281
Email: info@rhb.co.nz
Web: www.rhb.co.nz

Receivers Second report on the state of affairs of Coro Dingo Limited (In Receivership) 'the company' as at 11th March 2010

Introduction

Thomas Lee Rodewald and Kenneth Peter Brown were appointed Joint Receivers and Managers of the above company on the 11th September 2009.

The appointment arose under the powers contained in a General Security Agreement dated the 26th July 2007 which consists of all personal, property, assets and undertaking subject to a charge created by the GSA or any Collateral Security granted by the Debtor (whether situated in New Zealand or elsewhere).

We set out below our second report on the state of the affairs of the abovenamed company as required by section 24 of the Receivership Act 1993.

Sale of Business

Initially the business was put up for sale as a going concern. We initially received a large number of enquiries from prospective purchasers. However, as there were no current or future contracts in the pipeline, and a large quantity of plant was missing, no offers were received for the business.

All vehicles and equipment that had charges registered over them have been returned to the charge holders. Where there were disputes over ownership these items were retained or a settlement was negotiated.

All identified debtors have been collected. We have investigated the possibility of others but due to disputes as to the quality of the work, no monies were actually recovered.

Plant and Equipment

The Receivers obtained a valuation of the plant and equipment and called for expressions of interest from interested parties through the Bay of Plenty Times and Trade Me. After reviewing the offers it was agreed that Manheim Fowles Limited would market the plant and equipment, the larger items being put up for tender and the smaller items auctioned. Manheim personnel sorted and relocated most of the equipment to Auckland. The balance of (low value) equipment was sold on the basis that all items left including rubbish were removed for a minimal return. Manheim have completed the sale of all items.

Complaint to Ministry of Economic Development

The receivers have lodged a complaint with the Ministry of Economic Development regarding the conduct of the director and have included the manager who managed the affairs of the company, believing he could be deemed to be a director for the purposes of the Companies Act.

We are now awaiting a response from the Ministry of Economic Development National Enforcement Unit.

Bankruptcy

Both Nicola James and Ed Murray have been bankrupted.

Payments to General Security Agreement Holders

Blackbird Finance	$160,000.00

Receipts & Payments

We attach as ***Appendix 1*** a list of receipts and payments to 11th March 2010.

Summary

As the only out standing matter to be attended to is the last remaining debtor and as this is a small amount will look to assign the debt and retire as receivers

Thomas Lee Rodewald
Joint Receiver and Manager

Kenneth Peter Brown
Joint Receiver and Manager

Appendix1

Coro Dingo Limited (In Receivership)

Receipts and Payments from 11th September 2009 to 11th March 2010

GST exclusive

Receipts		
GST on income	36,517.34	
Debtors	45,115.00	
Interest Received	233.01	
Sale of assets	246,712.39	
Vehicle repair refund	311.11	
Dividend	368.05	
		329,256.90
Payments		
Advertising	511.77	
GST on expenses	12,911.85	
Commission on sale of assets	18,455.49	
Consultancy	94.00	
Electricity	208.24	
GSA holder payment	160,000.00	
GST Paid	19,987.92	
Insurance	4,530.10	
Legal fees	7,622.84	
Mail redirection	111.11	
PAYE paid	4,077.93	
Preferential payment - wages and holiday pay	5,742.35	
Receivers fees	58,009.11	
Rent	2,500.00	
RWT on interest	76.90	
Security	88.67	
Stationary/faxes/tolls	78.50	
Storage and removal	2,235.00	
Transport costs	5,546.67	
Travel	561.53	
Valuation	2,741.50	
		306,091.48
Net Funds		**$23,165.42**

Represented By:	
National Bank - Trust Account	2,606.31
National Bank - Trust Call Account	20,559.11
	$23,165.42