

Receivers third report on the state of affairs of Eurotech Audio Limited (In Receivership) 'the company' as at 5th June 2010.

Introduction

Thomas Lee Rodewald and Kenneth Peter Brown were appointed Joint Receivers and Managers of the above company on the 5th day of June 2009. Because the appointment is in Auckland and the Receivers reside in Tauranga, Auckland agents were appointed being Thomas Wilson and Steven Wilkins from Time Capital NZ Limited (formerly Seasons Business Transfer Specialists) telephone 0274 850250.

The Receivers were also appointed Joint Receivers and Managers to Eurotech Audio Holdings Limited on the same date. Receivers and Managers were also appointed to the Australian company, Eurotech Audio Pty Limited on 11 June 2009, those Receivers being Ross Blakeley and Quentin Olde of Taylor Woodings, a Melbourne based insolvency firm.

The appointment arose under the powers contained in a General Security Agreement dated the 28th February 2008 which consists of all personal property in which it has rights, whether now or in the future.

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

Conduct of the Receivership

The majority of work on this Receivership has now concluded. Unresolved staff claims with the Department of Labour has prevented us from retiring at this stage

All Australian and New Zealand stock has now been sold

Some remaining assets, including pallet racking and a fork hoist have now been sold.

All staff were terminated in 2009.

Debtors

The majority of debtors have been collected. Small amounts are still being paid but the majority of what remains would be more expensive to collect.

General Security Agreement Holder

At the date of appointment the debt due to the general security agreement holder was \$1,555,466.70. Payment of \$50,000 has been made to date.

Other Secured Creditors

Seven creditors were registered on the Personal Properties Security Register but four of those have still not registered claims. The total known claims are \$208,071. None have been paid to date.

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Preferential Creditors

Employee holiday pay claims are still being examined by the Department of Labour.

Receipts & Payments

We attach as *Appendix I* a list of receipts and payments to 5th June 2010.

Summary

The Receivers are attending to the remaining issues being:

1. collection of the remaining debtors, including debts allegedly due by the previous owner
2. resolution of the Department of Labour review regarding holiday pay
3. settle preferential creditors with any remaining balance to GSA holder
4. normal statutory requirements
5. finalise the Receivership (anticipated within the next reporting period unless any legal matters delay proceedings).



Thomas Lee Rodewald
Joint Receiver and Manager



Kenneth Peter Brown
Joint Receiver and Manager

Eurotech Audio Limited (In Receivership)
Receipts and Payments from 5 June 2009 to 5 June 2010

Appendix 1

GST exclusive

Receipts

GST on income	63,097.19	
Funds on hand pre receivership	25.13	
GST refunds	1,142.90	
Debtors	243,763.03	
Interest Received	2,518.74	
Insurance refund	8.80	
Sale of assets	11,332.18	
Sale of stock	397,892.73	
Trading sales	94.00	
		719,874.70

Payments

GST on expenses	42,100.45	
Bank fees	15.00	
Advertising	37,689.01	
Commission on sale of assets	173.83	
Debt collection	716.69	
Electricity	1,437.16	
GST paid	15,722.52	
RWT on Interest	383.76	
Insurance	3,051.57	
Legal fees	54,953.18	
GSA holder payment	50,000.00	
Mail redirection	111.11	
PAYE paid	23,732.11	
Preferential payment - wages and holiday pay	4,621.46	
Receivers fees	68,644.64	
Rent	38,393.89	
Receivers agent fees	85,077.95	
Stock purchases	65,176.57	
Storage and removal	987.51	
Telephone & communications	9,833.82	
Transport costs	8,234.75	
Valuation	900.00	
Wages - NZ	83,653.51	
Wages - Aus	5,985.65	
Courier	23,888.97	
Eftpos	2,400.00	
Petty cash	135.10	
Rubbish	1,248.68	
Stationery	358.39	
Computer costs	152.23	
		629,779.51

Net Funds

\$ 90,095.19