

# **Receivers' first report on the state of affairs of Groganic Fertilisers Limited (In Receivership) 'the company' as at 11<sup>th</sup> of January 2007**

**Company Number: 1028151**

## **Introduction**

Robert James Neilson and Thomas Lee Rodewald, Chartered Accountants of Tauranga, were appointed as Joint Receivers and Managers of all the assets, property and undertakings of the company on 31 October 2007 by the Bank of New Zealand. We were appointed under the powers contained within their General Security Agreement dated 11 May 2007.

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

## **Events leading up to our appointment**

In the days leading up to the appointment, the Receivers were approached by the Directors of the company. Discussions were held with the Bank of New Zealand, the result being, due to the company's financial position, the directors requested the Bank of New Zealand appoint receivers and managers as soon as possible.

## **Trading on/closure of business**

Following appointment, the receivers ceased to trade the company's business. The current staff were terminated. All secured creditor claims were reviewed, validated and then prioritised. Where relevant, assets were returned to the secured creditors.

## **Debtors**

There is a substantial debtor's ledger to collect. The receivers are currently collecting the amounts owed and dealing with any disputed debts.

## **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	<u>\$334,840</u>
	\$334,840

## **Specific Security Creditors**

South Pacific Tyres	<u>\$10,370</u>
	\$10,370

**Preferential Creditors**

Employee claims	\$19,534
BNZ - Wages payment on date of appointment	\$8,143
The Inland Revenue Department have forwarded their claim being;	
PAYE	\$93,744
GST	\$66,921
Child Support Employer Deductions	\$3,136
Student Loan Employer Deductions	\$1,696
Kiwi Saver Employer Deductions	<u>\$433</u>
	\$193,607

**Total Secured and Preferential Creditors** \$538,817  
=====

**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 11 January 2007.

**Unsecured creditors**

We attach as *Appendix 3* a list of names and addresses of unsecured creditors.

The total amount due to unsecured creditors to date is \$412,614. Due to the extent of the secured creditor claims there are unlikely to be any funds available for returning to the company, or a liquidator at the conclusion of the receivership for distribution to unsecured creditors.

**Information provided by the company**

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

\_\_\_\_\_  
Robert James Neilson  
*Joint Receiver and Manager*

\_\_\_\_\_  
Thomas Lee Rodewald  
*Joint Receiver and Manager*

**APPENDIX I****Statement of Assets & Liabilities for Groganic Fertilisers Ltd  
(In Receivership) as at 31 October 2007**

		<b>Estimated Realisable Value</b>
<b><u>ASSETS</u></b>		
<b>Cash on Hand</b>	. Kiwibank	9,707
<b>Accounts Receivable</b>	. Trading	200,000
<b>Fixed Assets</b>	. Steam Cleaner	4,500
	<b>Total Assets</b>	<u><u>\$214,207</u></u>
<b><u>LIABILITIES</u></b>		
<b><i>CHARGE HOLDERS</i></b>		
<b>General Security Agreements</b>	. Bank of New Zealand	334,840
<b>Specific Security Agreements</b>	. South Pacific Tyres	10,370
<b><i>PREFERENTIAL CREDITORS</i></b>		
<b>Employees</b>	. Wages / Holiday Pay / Termination Pay	19,534
<b>Inland Revenue Department</b>	. PAYE	93,744
	. GST	66,921
	. Child Support	3,136
	. Student Loan	1,696
	. Kiwisaver	433
<b>BNZ</b>	. Wages Payment	8,143
<b><i>UNSECURED CREDITORS</i></b>		
Non PPSR Charge Holders	. Trade etc	390,259
IRD (Penalty & Interest)	. PAYE	12,383
	. GST	9,289
	. Child Support	396
	. Student Loan	275
	. Kiwisaver	12
	<b>Total Liabilities</b>	<u><u>\$951,431</u></u>
	<b>Net Deficit</b>	<u><u>\$737,224</u></u>

Note: The statement excludes any values for the shareholders current account and any intercompany and related party debts, which are currently being established.

**Groganic Fertilisers Limited (In Receivership)**  
**Receipts and Payments from 31 October 2007 to 11 January 2008**

***Appendix 2***

**GST exclusive**

**Receipts**

GST on income	20,964.47	
Funds on hand	9,707.70	
Debtors	166,813.99	
Interest Received	726.03	
Credit refunds	1,003.80	
		<u>199,215.99</u>

**Payments**

GST on expenses	3,121.81	
Bank Fees	52.15	
RWT on Interest	141.58	
Legal fees	8,944.98	
PAYE paid	213.71	
Preferential payment - wages and holiday pay	27,678.36	
Receivers fees	16,029.50	
Wages	1,671.97	
		<u>57,854.06</u>

**Net Funds**

**\$141,361.93**

**Represented By:**

Bank of New Zealand - Cheque Account	5,777.48
Call Account	135,584.45

**\$141,361.93**