

Edenz Limited (In Receivership)
("the Company")
Company No: 652858

30511
16 November 2010

Introduction

Brendon James Gibson and Grant Robert Graham were appointed Joint and Several Receivers and Managers of the assets and undertakings of the Company on 16 September 2010 pursuant to a General Security Agreement dated 26 March 2009 granted in favour of Bank of New Zealand ("BNZ").

Restrictions

This report has been prepared by us in accordance with and for the purposes of Section 23 of the Receiverships Act 1993. It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership. In compiling this report we have relied on the accuracy of all relevant information provided by the Company. While all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

All information contained in this report is for the confidential use of the parties to which it is provided, in accordance with Sections 26 and 27 of the Receiverships Act 1993 and is not to be disseminated or passed to any other person without prior written authority or in accordance with the law.

Commentary

- The Company was incorporated in August 1995. Its main business activity was the operation of a large coolstore and packhouse operation servicing the apple sector in the Hawkes Bay. The Company also leased and managed a number of orchards.
- The main asset of the Company is the coolstore and packhouse complex on 3.615 hectares, located on Thompson Road, Havelock North. The property is currently being marketed through Colliers real estate with tenders due to be submitted by 2 December 2010.
- Company shareholder loans total \$3.9m and we are dealing with these in the ordinary course of the receivership.
- At the time of the Receivers appointment, the apple industry was in the 'off peak' season; the peak processing period having passed and relatively low levels of fruit remained in the Company's coolstores. In the receivership to date, stock sales of \$130k (GST inclusive) have been realised through the Company's distribution channels. Debtor collections have been minimal.

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- The Receivers are currently assessing options in relation to realising other assets of the Company, primarily plant and machinery related to the orchard management operation.
- The receivership commenced as a consequence of an event of default under the Company's banking arrangements.
- BNZ was owed \$6.6 million as at the date of the receivership.
- The following security interests were registered on the Personal Property Security Register as at the date of receivership:

Secured Party	Address	Collateral Type	Date Registered	Liability
Allied Petroleum Ltd	129 Maraekakaho Rd, Hastings	Goods - Other	10-Mar-10	\$23k
Bank of New Zealand	L2, 30 Mahuhu Crescent, Auckland	All present and after acquired personal property	25-Mar-09	\$6.6M
		Goods - Other	25-Mar-09	
		Goods - Other	25-Mar-09	
Brambles New Zealand Ltd	1-9 Nesdale Avenue, Manukau	Goods - Other	16-Dec-09	Nil
Carter Holt Harvey Ltd	Tararua Road, Levin	Goods - Other	22-Oct-02	\$4k
Cogent Communications Ltd	Cnr Khyber Pass Rd & Nugent St, Newmarket, Auckland	All present and after acquired personal property	16-Dec-08	Nil
DM Palmer (NZ) Ltd	PO Box 2438, Hastings	Goods - Crops	20-Dec-06	\$11k
Donnelly Family Trust (Don Forsyth, ex director)	C/- Bate Hallett, PO Box 749, Hastings	Goods - Other	9-Aug-10	\$12k
Eastcoast Forklifts Ltd	Cnr Ellison Rd & Hastings St, Hastings	Goods - Motor Vehicles	28-Sep-07	\$45k
		Goods - Motor Vehicles	8-Feb-10	
		Goods - Motor Vehicles	8-Feb-10	
Farmlands Trading Society	Private Bag 9004, Hastings	All present and after acquired personal property	3-Sep-10	\$107k
Fletcher Steel Ltd	Private Bag 92058, Auckland	All present and after acquired personal property; Goods - Other	13-Sep-08	Nil
Leasing Solutions Ltd & Solutions Group Receivables Ltd	PO Box 68542, Newton, Auckland	Goods - Other	23-Dec-08	Nil
Marac Finance Ltd	3 rd Fl, Marac House, Cnr Teed & Gillies Ave, Newmarket, Auckland	Goods - Other	17-Sep-08	\$188k
		Goods - Motor Vehicles	19-Jun-09	
		Goods - Motor Vehicles	5-May-10	
Portacom New Zealand Ltd	PO Box 12756, Penrose, Auckland	All present and after acquired personal property; Goods - Other	5-Mar-08	Nil
UDC Finance Ltd	L2, 107 Carlton Gore Road, Newmarket, Auckland	Goods - Motor Vehicles	4-Sep-08	\$52k
		Goods - Motor Vehicles	12-Aug-09	
Visy Board (NZ) Ltd	235 Roscommon Road, Wiri, Manukau	Goods - Other	25-Mar-04	\$442k

- Farmlands Trading Society Ltd registered a caveat over the property on 8 September 2010. We are dealing with this in the ordinary course of the receivership.
- As at the date of appointment, the preferential liabilities are comprised as follows:

	\$000's
IRD – GST	539
IRD – PAYE	456
Staff – Wages (gross) since paid	21
Staff – Holiday Pay (gross) yet to be paid	90
	1,106

- From the Company records and claims received to date, we estimate that the total unsecured creditor liability is circa \$1.5 million, inclusive of the Inland Revenue Department's unsecured liability.
- Based on our preliminary estimates, we believe that it is unlikely there will be a return to unsecured creditors.



B J GIBSON
 Joint Receiver