

Receivers' Second Report



Edenz Limited (In Receivership & In Liquidation)
('the Company')
Company No: 652858

30511
13 May 2011

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 24 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 was the coolstore and packhouse complex on 3.615 hectares, located on Thompson Road, Havelock North. Following a marketing process culminating in tenders in December 2010, the property was sold on 1 March 2011.
- The Company plant and machinery was also sold as of March 2011.
- All remaining fruit stock on hand at receivership was sold through the local market by December 2010.
- Debtor collections to date have been minimal.
- As at the date of receivership the Company was indebted to the BNZ for \$6.6 million. As reported in the Statement of Receipts and Payments, \$1.8 million has been distributed to the BNZ following asset realisations.

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nz@kordamentha.com
www.kordamentha.com

New Zealand

Level 16, 45 Queen Street
Auckland 1010

PO Box 982, Shortland Street

Auckland 1140

Office: +64 9 307 7865

Fax: +64 9 377 7794

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- Farmlands Trading Society Ltd registered a caveat over the property on 8 September 2010. The caveat was discharged prior to settlement of the property sale.
- Preferential liabilities are comprised as follows:

	\$000's	\$000's
IRD		995
Employee Preferential Entitlements	123	
Less Paid	(67)	
Balance Outstanding to Employees		56
		1,051

- 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 estimates, we believe that it is unlikely there will be a return to unsecured creditors.



B J GIBSON
 Joint Receiver

EDENZ LIMITED
(In Receivership & In Liquidation)

Statement of Receivers' Receipts and Payments
 From 16 September 2010 to 15 March 2011

RECEIPTS	\$
Asset Sales Proceeds	87,304.24
Property Sale Proceeds	3,000,000.00
Stock on Hand at Appointment	46,193.71
Stock Sales Proceeds	171,234.35
Sundry Receipts	4,291.00
Trade Debtor Receipts	66,697.25
TOTAL RECEIPTS	3,375,720.55
PAYMENTS	
Advertising	8,017.60
Auctioneers Fees	12,995.68
Bank Fees	3,964.42
Consultancy Fees	19,695.80
Distributions to BNZ	1,820,000.00
Electricity	21,630.49
Employee Preferential Claims (Gross)	69,177.58
Hire of Plant and Equipment	4,167.32
Insurance	79,407.53
Insurance Duress Payment	46,501.39
Interest Paid	2,041.39
Leasing Charges	8,217.80
Legal Costs	67,249.18
Packaging and Transport	63,036.34
Petrol	4,460.34
Plant Equipment	4,619.20
Rates - Council and Water	8,087.19
Real Estate Agents Commission	52,500.00
Receivers Remuneration	384,834.07
Rent	7,239.42
Repairs and Maintenance	14,662.38
Salaries and Wages (Gross)	115,127.13
Security Costs	123,646.76
Software / IT Related	2,190.79
Sprays and Chemicals	28,985.80
Sundry Expenses	6,826.09
Telephone	5,485.61
Travelling Expenses	22,574.62
TOTAL PAYMENTS	3,007,341.92
 NET CASHFLOW	 368,378.63