

Receivers' Second Report



Matarangi Beach Estates Limited (In Receivership) ("the Company") Company No: 1251850

30515
14 July 2011

Introduction

Grant Robert Graham and Michael Peter Stiassny were appointed Joint and Several Receivers and Managers of the assets and undertakings of the Company on 18 November 2010 pursuant to a General Security Agreement dated 29 June 2005 granted in favour of The Hongkong and Shanghai Banking Corporation ("HSBC").

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

- Matarangi Beach Estates Ltd (In Receivership) ("MBEL") is the parent company of a group of entities that is undertaking a coastal development at Matarangi in the Coromandel. The assets of MBEL and its subsidiaries include an 18 hole golf course and clubhouse, five luxury villas, residential sections, farm land, zoned development land and unzoned development land.
- Since the date of receivership we continued to trade the golf course and restaurant operations; however the restaurant was closed in April for the winter period.
- Since our last report, the mortgagee has sold two farms owned by subsidiaries of MBEL. These subsidiaries are also in Receivership. Additionally one residential section has also been sold. All proceeds from these sales were applied to the Mortgagee's outstanding debt of \$18.9 million at the date of the Receivership.

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- The Receivers are currently assessing options in relation to realising the remaining assets of the Company.
- Since our last report we have received the Inland Revenue Department preferential claim of \$4k.
- Amounts owing to unsecured creditors are approximately \$280k (based upon Company records and unsecured creditor claims received to date).
- Total gross employee entitlements at the date of Receivership were \$66k of which \$58k was preferential. Gross employee preferential claims of \$37k have been paid to date (\$17k is related to pre receivership wages).
- Attached are the receipts and payments for the six month period 18 November 2010 to 17 May 2011.
- Based on our preliminary estimates, we believe that it is unlikely there will be a return to unsecured creditors.



G R GRAHAM
Joint Receiver

Matarangi Beach Estates Limited
(In Receivership)
 Statement of Receivers' Receipts & Payments
 From 18 November 2010 to 17 May 2011

	\$
<u>RECEIPTS</u>	
Cash at Bank at Appointment	28,035.40
Interest Received	80.45
Sundry Income	622.36
Sundry Receipts	10,096.84
Trading Income	520,380.75
Total Receipts	559,215.80
<u>PAYMENTS</u>	
Agents Fees	8,862.67
Bank Fees	4,693.37
Beverage Expenses	51,740.60
Capital Expenditure: Mower	10,000.00
Cleaning	2,603.03
Consultancy Fees	5,335.72
Duress Payments	10,455.13
Electricity, Gas and Petrol	29,269.25
Employee Preferential Claims	36,744.23
Food Expenses	66,030.99
Golf Course and Golf Shop Supplies	22,888.27
Golf Course Contractor Fees	2,600.00
Golf Levies	9,535.01
Hire of Plant and Equipment	12,935.41
Insurance	11,431.40
Leasing Charges	22,003.23
Legal Fees	5,289.63
Rates - Council	33,177.67
Rates - Duress Payments	138,934.54
Repairs and Maintenance	17,139.30
Salaries and Wages	267,925.86
Sundry Expenses	11,407.19
Telephone Expenses	8,089.80
Total Payments	789,092.30
NET CASH FLOW	(229,876.50)