



Zion Wildlife Gardens Limited (In Receivership & In Liquidation) and Country Developments Limited (In Receivership)

together “the Companies”

Receivers' First Report on the State of Affairs of the Companies

Pursuant to Section 23 of the Receiverships Act 1993

***Company Numbers: 982674
849167***

Introduction

We, Colin Thomas McCloy and David John Bridgman, Chartered Accountants of Auckland were appointed receivers of the Companies on 26 July 2011 under the terms of security agreements giving the holder a security interest in all of the assets and undertakings of the Companies. The property in receivership comprises all of the assets, property and undertakings of the Companies.

This report has been prepared by us in accordance with and for the purpose of Section 23 of the Receiverships Act 1993 (“the Act”). 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.

This report is subject to the restrictions set out at Appendix I. In particular, all information contained in this report is provided in accordance with Sections 26 and 27 of the Act. Furthermore, in preparing this report we have relied upon and not independently verified or audited information or explanations provided to us.

Events leading to our appointment

The Companies operate Zion Wildlife Park ("Zion") situated at 124, Grays Road, Kamo, Northland. Zion provides tours to the public of various lions, tigers and other wildlife.

Following defaults of banking facilities, the Director of the Companies, Patricia Busch, requested that receivers be appointed to the Companies.

Subsequent to the appointment of receivers, liquidators were appointed to Zion Wildlife Gardens Limited (In Receivership) by order of the Court, on 22 August 2011. We will assist the liquidators with their enquiries as required.

Debts and Liabilities

The following table shows the particulars of debts and liabilities of the Companies outstanding at the date of receivership and requiring to be satisfied from the property in receivership:

Class of creditor	Note	Name of creditor	Address of Creditor	Nature	Amount (\$)
First Ranking secured creditor	1	Rabobank	Auckland	GSA	2,683,139
Second Ranking Secured Creditor	2	Patricia Busch	Whangarei	GSA	292,251
PMSI creditors		Smart Pay New Zealand Limited	Auckland	Goods	-
Unsecured Creditors	3	Various Staff	Various	Unpaid Contractors Fees, Wages and Holiday Pay	14,393
	4	IRD	Whangarei	Unpaid GST and PAYE	135,306
	5	Other Creditors	Various		Unknown

Notes to Table

- This amount is the balance of secured debt as provided by Rabobank at the date of our appointment. Rabobank entered into a Deed of Subordination and Priority with Patricia Busch resulting in Rabobank holding first ranking general security agreements over all assets and undertakings of the Companies.*
- Patricia Busch holds second ranking general security agreements over all assets and undertakings of the Companies as a result of the Deed of Subordination and Priority entered into with Rabobank. This amount represents the debt as listed in the Financial Statements dated 31 March 2010. We have not received an updated figure from the secured creditor.*
- We are currently assessing the portion of this amount which is preferential.*
- We are currently assessing the portion of this amount which is preferential.*
- We have received claims totalling \$24,557.54, but it is likely that this figure will increase as further claims are received.*

Particulars of assets

The assets of the Companies include, but are not limited to, land, buildings, plant and equipment, and motor vehicles.

Proposals for disposal of receivership property

Zion is currently operating on a limited basis in terms of tours that were booked prior to receivership. The receivers have commenced a sales process and are working with a number of interested parties in this respect.

We have omitted certain details concerning our proposal for the disposal of receivership property as we believe that their inclusion would materially prejudice the exercise of our functions and in particular our duty to obtain the best price reasonably obtainable for the sale of receivership property.

Amounts likely to be available for payment to creditors other than creditors of the company having statutory preferential claims

The total value of unsecured creditors' confirmations received for the Companies up to the date of this report is \$24,557.54. It is probable claims will increase further as confirmations are received.

The process of realising the Companies' assets is not yet complete. However, from our observations to date and given the level of secured indebtedness in the Companies we believe that there are unlikely to be any funds available for unsecured creditors.

Information provided by the company

The Director of the Companies has co-operated in making available the information required by the Receivers to complete this report.

Dated: 23 September 2011



Colin McCloy
Receiver

Restrictions

All information contained in this report is provided in accordance with Sections 26 and 27 of the Receiverships Act 1993.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.

We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit in respect of the Companies. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

The statements and opinions expressed in this report are based on information available as at the date of the report.

We reserve the right, but will be under no obligation, to review or amend our Report, if any additional information, which was in existence on the date of this Report was not brought to our attention, or subsequently comes to light.

All amounts are stated in New Zealand dollars.