



**RECEIVERS' FIRST REPORT ON THE STATE OF AFFAIRS OF
THE GREAT DESSERT CO LIMITED (IN RECEIVERSHIP)
"The Company"**

1 INTRODUCTION

John Lawrence Vague and Graeme George McDonald, Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers and managers of all the assets, property and undertakings of the company on 24 May 2002. We were appointed under the powers contained within a mortgage debenture dated 31 March 2000 in favour of Salad Foods (1992) Limited. The debenture dated 31 March 2000 was executed by the company in favour of the ANZ Banking Group (NZ) Limited and registered at the Companies Office on 13 April 2000. The debenture was assigned to Salad Foods (1992) Limited on 12 March 2002. The address of the debentureholder is Auckland. We set out below our first report on the state of affairs of the above named company as required by section 23 of the Receivership Act 1993.

2 EVENTS LEADING UP TO OUR APPOINTMENT

John Lawrence Vague and Graeme George McDonald, Insolvency Practitioners of Auckland, were originally appointed as receivers and managers of the above company on 12 March 2002. On 19 March 2002, an order was made in the High Court at Auckland, restraining them from notifying or otherwise advertising their appointment as receivers and managers until further order of the High Court. Subsequently, they vacated their office as receivers and managers on 1 April 2002, after the company obtained an order for an interlocutory injunction which restrained them from proceeding as receivers and managers of the company until further order of the High Court.

On 24 May 2002, the High Court at Auckland revoked the above orders and the debentureholders re-appointed John Lawrence Vague and Graeme George McDonald, Insolvency Practitioners of Auckland, as receivers and managers of the above company.

3 TRADING ON / CLOSURE OF BUSINESS

The business is still trading. The receivers intend to sell the business as a going concern and are currently considering offers.

4. PROPERTY DISPOSED OF TO DATE

At the date of this report only one of the company vehicles has been sold. We have received \$7,310 from the sale proceeds.

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5 PROPOSALS FOR DISPOSAL OF RECEIVERSHIP PROPERTY

5 - AUG 2002

The receivers compiled a company profile and tender documents for the sale of the business as a going concern. It was advertised for sale in the New Zealand Herald, The Independent News Weekly, and the Food Industry magazine. The offer of sale was for business assets only and was not an offer for the sale of shares held in the company. Therefore, none of the liabilities of the company will become the responsibility of the new owner. We are currently in negotiations with one of the tender offers.

6 AMOUNTS OWING TO THE DEBENTUREHOLDER

At the date of our appointment the amount of \$350,000 00 plus accrued interest is due to our appointer

7 PREFERENTIAL CREDITORS

We have yet to receive any formal claims from the company's preferential creditors. According to the records of the company these claims, as at the date of our appointment, are summarised as follows

	\$
Employees' Claims	33,934
GST	21,577
TOTAL	<u><u>\$55,511</u></u>

8 UNSECURED CREDITORS

It is unlikely that the unsecured creditors will receive a benefit from the sale of the business assets

Any supplies ordered from 27 May 2002, will be at the permission of the receivers and will be paid by the receivers account

9 PARTICULARS OF ASSETS AND LIABILITIES

We **attach** particulars of the assets and liabilities of the company

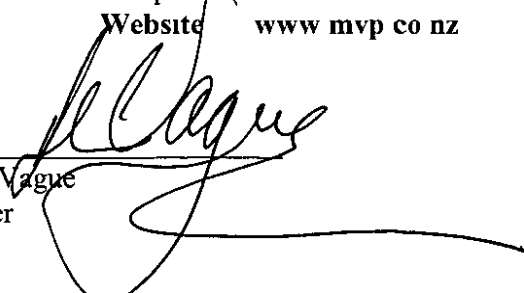
Disclaimer


The financial details provided have been produced from the books and records of the company. Neither the company, management nor McDonald Vague & Partners (or any person associated with them) takes any responsibility whatsoever for any reliance placed on this information in the purchase or financing of the assets or business.

10 INFORMATION PROVIDED BY THE COMPANY

We were unable to obtain the information from the company required to complete this report. Accordingly, we have had to rely on our own observations and investigations.

Enquiries to Liz Lava
Telephone 0-9-306 3516
Website www.mvp.co.nz


John L Vague
Receiver


Graeme G McDonald
Receiver

DATED this day of July 2002

**PARTICULARS OF ASSETS AND LIABILITIES OF
THE GREAT DESSERT CO LIMITED (IN RECEIVERSHIP)
AS AT THE DATE OF THE APPOINTMENT OF RECEIVERS BEING 24 May 2002**

	Book Value	Estimated to Realise			
ASSETS NOT SPECIFICALLY PLEDGED	\$	\$			
Petty Cash		100			
Trade Debtors	75,000	73,000			
Work In Progress	10,000	10,000			
Packaging Credit		10,000			
Stock		150,000			
Computers (4) & Printers (2)		1,500			
Office Furniture & Equipment		5,000			
Motor Vehicle – Ford Laser		5,000			
Leasehold Improvements (refer note 5)		Nil			
Plant & Machinery		75,000			
		329,600			
ASSETS SPECIFICALLY PLEDGED					
	Estimated Realisable Value	Due To Secured Creditors	Deficiency Ranking As Unsecured	Surplus To Last Column	
Mitsubishi Refrigerated Truck UDC Finance Limited	35,000	20,000	-	15,000	15,000
					344,600
LESS PREFERENTIAL CREDITORS					
Wages & Holiday Pay				33,934	
Inland Revenue Department – GST				21,577	
				55,511	
					289,089
LESS DEBENTUREHOLDER					
Salad Foods (1992) Limited					350,000
					69,911
ESTIMATED DEFICIENCY AS REGARDS DEBENTUREHOLDER					
LESS UNSECURED CREDITORS					
As per company records				260,000	
Shareholders				30,000	
Sundry Creditors				10,000	
				300,000	
ESTIMATED DEFICIENCY AS REGARDS DEBENTUREHOLDER & UNSECURED CREDITORS					\$369,911

Notes

- 1 There is no unpaid capital liable to be called up
- 2 The above estimates are subject to cost of the Receivership
- 3 The debentureholders claim will continue to accrue interest until fully paid
- 4 There is a contingent liability in respect of the lease of the premises
- 5 Leasehold improvements had a cost of \$390,290 Their realisable value depends upon whether the business is sold as a going concern

Disclaimer of Liability

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