

## PARTNERS

John T Whittfield Dip.Ag. M Inst.D  
Peri M Finnigan BBS, Dip.Business Studies, CA (PP)  
Boris van Delden B.Com, CA (PP)

## SENIOR ASSOCIATES

Dennis Wood MBA, Dip.Pol, Dip.Bus.Admin  
Victoria Toon B.Com, CA (PP)

## DIRECTOR

Kevin W Bromwich NZ Dip.Bus

## CONSULTANTS

Graeme G McDonald B.Com, FCA  
John L Vague FCA ACIS AFNZIM



# MCDONALD VAGUE

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## RECEIVERS' FIRST REPORT ON THE STATE OF AFFAIRS OF HELIOLOGGING LIMITED (IN LIQUIDATION & IN RECEIVERSHIP) "The Company"

### 1. INTRODUCTION

John Trevor Whittfield and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers and managers of all the assets, property and undertakings of the company on 6 October 2006. They were appointed under the powers contained in a General Security Agreement dated the 10<sup>th</sup> day of September 2003 granting a security interest in all personal property of any kind or nature that is either presently or in the future will be owned, held leased, under the control of or in the possession of the grantor including all accounts receivable, book debts both present and future and intangibles. The Receivers set out below their first report on the state of affairs of the above named company as required by section 23 of the Receivership Act 1993.

The appointment of receivers follows the appointment of liquidators. Tom Rodewald and Kenneth Peter Brown of Rodewald Hart Brown Limited, were appointed jointly and severally as liquidators by the Court on 5 October 2006 on the application of the Inland Revenue Department.

### 2. EVENTS LEADING UP TO OUR APPOINTMENT

The appointment arose as a result of the company's default in meeting payments due to secured lenders.

### 3. TRADING ON / CLOSURE OF BUSINESS

The director of the company has advised the company ceased to trade approximately 18 months prior to liquidation and receivership.

### 4. PROPERTY DISPOSED OF TO DATE

No property has been disposed of at the date of this report. The assets of the company are claimed to have been sold to a helicopter operator in Taupo over 12 months ago. The receivers intend to review this transaction to ensure no funds are owing on this sale. The company accountant has prepared financial statements only up to 31 March 2005 and cannot confirm this position at this stage. The receivers intend to seek authority from their appointer to instruct the accountant to prepare financial reports up to the date the company ceased to trade.

### 5. PROPOSALS FOR DISPOSAL OF RECEIVERSHIP PROPERTY

From the limited information that is available, there appears to be no physical assets available for the benefit of creditors. The 2004 financial statements however suggest there may be money owing by related parties to the company. The company accountant has drafted 2005 financial accounts and has been requested to provide copies to the receivers for further investigation.

### 6. AMOUNTS OWING TO THE SECURED CREDITOR

At the date of our appointment the amount (including accrued interest due to our appointer was \$140,994.

## 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 should be \$Nil. As at the date of our appointment we expect the following position:

	\$
Employees' Claims – Wages & Holiday Pay & Redundancy PAYE & GST (estimate)	Nil Nil
<b>TOTAL</b>	<u>Nil</u> <u>\$Nil</u>

The company accountant has advised that the Inland Revenue Department have an unsecured claim which relates to an outstanding penalty charged for PAYE.

## 8. UNSECURED CREDITORS

Details on creditors and amount owing are yet to be provided by the company director.

## 9. PARTICULARS OF ASSETS AND LIABILITIES


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

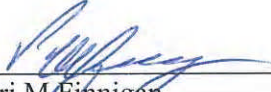
The information contained in the Particulars of Assets and Liabilities has been supplied by the company. We have not verified the information supplied. The Particulars of Assets and Liabilities have been prepared for the purpose of the Receivership and we do not accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.

## 10. INFORMATION PROVIDED BY THE COMPANY

The director of the company has not yet provided information for the receivers to complete a more detailed report.

Enquiries to: John Whittfield  
Telephone: 0-9-303 0506 (or direct dial 0-9-303 9517)  
Website: [www.mvp.co.nz](http://www.mvp.co.nz)

  
\_\_\_\_\_  
John T Whittfield  
Receiver

  
\_\_\_\_\_  
Peri M Finnigan  
Receiver

DATED this 18<sup>th</sup> day of October 2006

**HELIOLOGGING LIMITED (IN LIQUIDATION & IN RECEIVERSHIP)  
PARTICULARS OF THE ASSETS AND OF DEBTS AND LIABILITIES  
AS AT THE DATE OF THE APPOINTMENT OF RECEIVERS  
BEING 6 OCTOBER 2006**

	<b>Book Value (2004)</b>	<b>Estimated to Realise</b>
<b>ASSETS NOT SPECIFICALLY PLEDGED</b>	<b>\$</b>	<b>\$</b>
Non Factored Debtors	-	-
Cash at Bank	21	-
Loan – Heli-Logging Holdings Limited (refer note 7)	206,071	Unknown
Shareholders Current Account (refer note 6)	241,788	Unknown
Plant & Equipment	36,526	Nil
Legal Action – Civil Aviation Authority (refer note 8)	Unknown	Unknown
		<hr style="width: 100%; border: 0.5px solid black;"/>
		\$Nil
 <b>LESS PREFERENTIAL CREDITORS</b>		
Inland Revenue Department (refer note 5)		Nil
		<hr style="width: 100%; border: 0.5px solid black;"/>
		\$Nil
 <b>LESS GENERAL SECURITY AGREEMENT HOLDER</b>		
Commercial Factors Limited		140,994
		<hr style="width: 100%; border: 0.5px solid black;"/>
<b>ESTIMATED DEFICIENCY AS REGARDS SECURED CREDITOR</b>		<b>\$140,994</b>
 <b>LESS UNSECURED CREDITORS (refer note 4)</b>		
Intercompany Creditors	806,708	
Related Creditors	144,371	
Trade Creditors	135,122	
Westpac Bank	2,761	
Inland Revenue Department (refer note 5)	Unknown	
		<hr style="width: 100%; border: 0.5px solid black;"/>
		1,088,962
		<hr style="width: 100%; border: 0.5px solid black;"/>
<b>ESTIMATED DEFICIENCY AS REGARDS SECURED CREDITOR AND UNSECURED CREDITORS</b>		<b>1,229,956</b>

**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 secured creditor's claim will continue to accrue interest until fully paid.
4. The estimated creditors are based on the financial reports to 31 March 2004.
5. The company accountant considers the Inland Revenue Department's claim in the company is an unsecured claim relating to a 2003 shortfall penalty.
6. No salary was declared and allocated to the director due to the significant losses.
7. The inter-company loan may not be recoverable. The major assets in the holding company are subject to general security interests over the helicopters (x 12) and vehicles. The amounts owing to the secured creditor exceed the book value of the assets.
8. The company has initiated an action against the Civil Aviation Authority. If this action is successful, there may be funds available for unsecured creditors.

**Disclaimer of Liability**

The information contained in the Particulars of Assets and Liabilities has been supplied by the company. We have not verified the information supplied. The Particulars of Assets and Liabilities have been prepared for the purpose of the Receivership and we do not accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.

**HELILOGGING LIMITED (IN LIQUIDATION & IN RECEIVERSHIP)**

**APPENDIX I**

**PARTICULARS OF THE DEBTS AND LIABILITIES TO BE SATISFIED  
FROM THE PROPERTY IN RECEIVERSHIP  
AS AT THE DATE OF THE APPOINTMENT OF RECEIVERS  
BEING 6 OCTOBER 2006**

**SECURED CREDITOR**

Commercial Factors Limited  
644 Great South Road  
Penrose  
AUCKLAND