

PARTNERS

John T Whitfield Dip.Ag. M.Ins.D
Peri M Finnigan 885 Dip. Business Studies, CA
Boris van Delden B.Com, CA

DIRECTOR

Kevin W Bromwich

CONSULTANTS

Graeme G McDonald B.Com/FCA
John L Vague FCA ACS ARZIM



MCDONALD VAGUE

Business Recovery & Insolvency Specialists

Level 5 DDB Building
80 Greys Ave
PO Box 6092
Welllesley St Post Office
Auckland New Zealand

Telephone 0-9-303 0506
Facsimile 0-9-303 0508
DX No. CP28006
insol@mvp.co.nz
www.mvp.co.nz

RECEIVERS' THIRD REPORT ON THE STATE OF AFFAIRS OF AUCKLAND FINANCIAL MANAGEMENT CORPORATION LIMITED (IN RECEIVERSHIP) "The Company"

1. INTRODUCTION

Graeme George McDonald and John Trevor Whitfield, Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers and managers of all the assets, property and undertakings of the company on 15 November 2004. They were appointed under the powers contained within a general security agreement dated 23 January 2004 in favour of Freedom Group Limited. The Receivers set out below their third report on the state of affairs of the above named company as required by section 23 of the Receivership Act 1993.

This report should be read in conjunction with the receivers' previous reports. A statement of realisations and distributions is **attached** for the entire time the company has been in receivership.

2. EVENTS LEADING UP TO OUR APPOINTMENT

The appointment arose when the secured creditor replaced their previous receivers and managers of the abovementioned company on 15 November 2004. The previous receivers had been appointed on 10 September 2004.

3. TRADING ON / CLOSURE OF BUSINESS

The company ceased trading prior to our appointment as receivers and managers however the company remains entitled to various income streams relating to pre-receivership trading activity.

4. PROPERTY DISPOSED OF TO DATE

The company continues to receive income streams from various lending institutions.

5. PROPOSALS FOR DISPOSAL OF RECEIVERSHIP PROPERTY

The receivers are reviewing the books and records of the company in order to determine whether any further assets exist to be realised.

The receivers are currently reviewing the following:

- 5.1 Shareholders Current Account
- 5.2 Inter-company Accounts

Work has continued on these two investigations and should be completed by the next report.

6. AMOUNTS OWING TO THE SECURED CREDITORS

At the date of the appointment of receivers the amount (excluding accrued interest) of \$5,478,634 were due to secured creditors as follows;

6.1	First Charge holder: Ottow Burke & Associates Limited	\$693,583
	Pursuant to a General Security Agreement dated 23 January 2004 and registered on the Personal Property Securities Register on 28 January 2004 securing all present and after acquired property.	

6.2	Second Charge holder: Freedom Group Limited	\$4,785,051
	Pursuant to a second ranking General Security Agreement dated 23 January 2004 and registered on the Personal Property Securities Register on 2 February 2004 securing all present and after acquired property.	

We advise that the above amounts secure the assets and after acquired property of not only this company but also the assets and after acquired property of NZ Property Investors Limited (in receivership) and AFMC Services Limited (in receivership).

The security of the first charge-holder has been purchased by Yorkgate Pty Limited. The first charge holder has received repayments from both this company and NZ Property Investors Limited (In Receivership) from assets realised. The first charge-holder has not yet been repaid in full.

7. PREFERENTIAL CREDITORS

Further to our last report the company was the master tax agent for a number of other entities. We are endeavouring to collect any GST due from these entities as a result of the arrangement as part of the recovery of inter-company debts.


The master tax agent status of this entity has been removed.

8. UNSECURED CREDITORS

As at the date of preparing this report, the receivers have received twenty six unsecured creditors claims.

Enquiries: Boris van Delden

Website: www.mvp.co.nz


 Graeme G McDonald
 Receiver

DATED this 24th day of November 2005

THE RECEIVERSHIPS ACT 1993

NUMBER OF COMPANY : 1100363

NAME OF COMPANY : AUCKLAND FINANCIAL MANAGEMENT CORPORATION LIMITED (IN RECEIVERSHIP)

PRESENTED BY : McDonald Vague & Partners
Insolvency Specialists
Level 5, 80 Greys Avenue
P O Box 6092
Wellesley Street PO, AUCKLAND 1

STATEMENT PURSUANT TO SECTION 24

Statement of Receipts and Payments in the Receivership of the company from 10 September 2004 (being commencement of the first Receivership) to 14 November 2005.

	As Per Statement of Affairs	Cash Received
	\$	\$
CASH HAS BEEN RECEIVED AS FOLLOWS:		
Closure of Bank Account	17,744	17,744
Brokerage Fees	-	6,730
Income from lending institutions	-	251,087
Interest		126
GST	18,391	-
Income Tax	8,700	80
TOTAL RECEIPTS		\$275,767

CASH HAS BEEN PAID AS FOLLOWS:

Receivers Fees	64,791
Disbursements	2,836
Former Receivers Fees and Expenses	101,679
Legal Fees	3,579
Insurance	670
Telephone	93
Power	110
Bank Fees	53
Computer Consultancy	748
RWT on interest	42
Distribution to First Chargeholder	95,737
TOTAL PAYMENTS	\$270,338

TOTAL RECEIPTS	275,767
LESS TOTAL PAYMENTS	270,338
BALANCE HELD	\$5,429

Note: The above figures are GST exclusive.

REPRESENTED BY:

ASB Bank Limited
GST Suspense Account

3,661
1,768
<hr/>
\$5,429


.....
GRAEME G McDONALD
RECEIVER

Dated this *24th* day of November 2005.