

BREAKERS NEW PLYMOUTH LIMITED (IN RECEIVERSHIP)

Receivers of Earnings' First Report on the State of Affairs

Pursuant to Section 23 of the Receiverships Act 1993

Company Number 1494724

Introduction

Kevin David Pitfield and Gareth Russel Hoole (“the receivers”) were appointed joint receivers of earnings of Breakers New Plymouth Limited (In Receivership) (“the Company”) from its property situated at 5c Jack Conway Avenue, Manukau City (“the Property”). Such appointment was made by New Zealand Guardian Trust Company Limited (“NZGT”) on the 4th of November 2009, under the powers contained within a Memorandum of Mortgage over the Property dated 17 February 2006.

This report has been prepared by the receivers in accordance with and for the purpose of Section 23 of the Receiverships Act 1993.

Restrictions and Disclaimers

This report 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 the receivers have relied on the accuracy of all relevant information provided by the management of the Company. Whilst all care and attention has been taken in compiling this report, the receivers, Staples Rodway Limited, its employees and its agents do not accept any liability whatsoever arising from this report.

This report is not intended for general circulation and all information contained in it is for the confidential use of the parties to whom it is provided in accordance with Sections 26 and 27 of the Receiverships Act 1993. This report is not to be disseminated or passed on to any other party without the receivers' prior written authority or as may be required by law.

The financial particulars included in this report have been prepared from the Company's records and information supplied to the receivers by the Company and its director and by the receivers' appointers. In preparing the particulars the receivers have not carried out anything in the nature of an audit or other verification procedure.

The receivers reserve the right (but will be under no obligation) to review the contents of this report and, if considered necessary, to revise the report in light of any information which becomes known to the receivers at a subsequent date.

Events Leading To Appointment

The receivers understand that the Company purchased the Property comprising of land and a building located at 5C Jack Conway Ave, Manukau City and that NZGT provided the Company with funds required to settle the purchase, secured by way of a first ranking mortgage over the Property.

The receivers have been advised that the Company failed to adhere to the repayment terms of the mortgage, which ultimately led to notices being served on the Company under the Property Law Act 2007 and the appointment of the receivers pursuant to the terms of the mortgage.

Particulars of the Assets Comprising the Property in Receivership

The property of the Company over which the receivers have been appointed is all moneys payable to the Company arising out of the ownership, use or occupation of the Property or any agreement relating to its ownership, use or occupation. The Property currently has one tenant in respect of which rentals payable to the company are being collected by the receivers.

Particulars of Debt and Liabilities Outstanding and Requiring to be Satisfied from the Property In Receivership

- Due to **NZGT** secured by priority ranking Memorandum of Mortgage \$620,406

From records available to the receivers, there are no other known creditors.

Proposals for the Conduct of the Receivership of Earnings

The Receivers will continue to collect rent from the current tenant, to be applied to the amount outstanding to the mortgagee as referred to above.

Dated this 21st day of January 2010.



Gareth Russel Hoole
RECEIVER



Kevin David Pitfield
RECEIVER