

**RECEIVERS' FIRST REPORT ON THE STATE OF AFFAIRS OF
DIGITAL PARTNERS LIMITED (IN RECEIVERSHIP)
"The Company"**

1. INTRODUCTION

Boris van Delden and Iain McLennan, Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers and managers of all present and after acquired personal property of the Company on 20 April 2011. They were appointed under the powers contained within a General Security Agreement dated 12 September 2007 in favour of the trustees of The Robert Gill Trust and a General Security Agreement dated 25 February 2010 in favour of CPG York Limited. The address of the secured creditors is Auckland. 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 Receiverships Act 1993.

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 Company had ceased to trade prior to the date of the receivers' appointment.

4. PROPERTY DISPOSED OF TO DATE

No property has been disposed of at the date of this report.

5. PROPOSALS FOR DISPOSAL OF RECEIVERSHIP PROPERTY

Prior to receivership the Company purchased and on sold various websites to a third party, with payment for those assets to be made in the future. We have commenced recovery action on the trade debtors and are assessing recovery of other amounts on a cost benefit basis.

6. AMOUNTS OWING TO THE SECURED CREDITORS

At the date of our appointment the amounts due to our appointers were as follows (excluding accrued interest and costs):

The Robert Gill Trust	\$640,664
CPG York Limited	\$1,015,320

7. PREFERENTIAL CREDITORS

According to the records of the company the Company has no preferential creditors.

8. UNSECURED CREDITORS

It is unlikely that a distribution will be paid to unsecured creditors.

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 Statement of Position has been supplied by the Company. We have not verified the information supplied. The Statement of Position has 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 directors of the Company co-operated fully in making available the information required by the receiver to complete this report.

Enquiries to: Jared Booth
Telephone: 0-9-306 3340 (DDI)
Website: www.mvp.co.nz


IAIN McLENNAN
RECEIVER


BORIS VAN DELDEN
RECEIVER

DATED this / day of July 2011

**DIGITAL PARTNERS LIMITED (IN RECEIVERSHIP)
PARTICULARS OF THE ASSETS AND OF DEBTS AND LIABILITIES
AS AT THE DATE OF THE APPOINTMENT OF RECEIVERS
BEING 20 APRIL 2011**

	Book Value	Estimated to Realise
ASSETS NOT SPECIFICALLY PLEDGED	\$	\$
Bank of New Zealand: Bank Account	619	619
Trade Debtors	145,351	unknown
Fabulous Media Network Limited	7,162	Nil
Times House Digital Limited	450,000	unknown
Nicola Wagner	16,000	unknown
Fixed Assets (see Note 3)		450
Subsidiaries		
– Adochard Limited		Nil
– Fabulous Media Network Limited		Nil
		\$1,069
 ASSETS SPECIFICALLY PLEDGED		
As Appendix 1		Nil
		\$1,069
 LESS GENERAL SECURITY AGREEMENT HOLDERS		
Trustees of The Robert Gill Trust – First Ranking	640,664	
Brandadvantage Limited – Second Ranking	56,250	
CPG York Limited – Third Ranking	1,015,320	
		1,712,234
ESTIMATED DEFICIENCY AS REGARDS GENERAL SECURITY AGREEMENT HOLDERS		\$1,711,165
 LESS UNSECURED CREDITORS		
Unsecured Creditors (as per records held)		845,344
		845,344
ESTIMATED DEFICIENCY AS REGARDS GENERAL SECURITY AGREEMENT HOLDERS AND UNSECURED CREDITORS		\$2,556,509

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the Receivership.
3. The estimated realisable value of fixed assets is based upon a professional third party valuation.
4. The secured creditors' claims will continue to accrue interest until fully paid.
5. There is a contingent liability in respect of the lease of the premises.

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.

T. M. R. 1/7/11

APPENDIX 1

DIGITAL PARTNERS LIMITED (IN RECEIVERSHIP) PARTICULARS OF THE ASSETS AND OF DEBTS AND LIABILITIES AS AT THE DATE OF THE APPOINTMENT OF RECEIVERS BEING 20 APRIL 2011

ASSETS SPECIFICALLY PLEDGED

	Estimated Realisable Value	Due To Secured Creditors	Deficiency Ranking As Unsecured	Surplus To Last Column
Nicola Wagner 11260 Limited (In Receivership) 91991 Limited (In Receivership)	unknown	347,652	347,652	nil
	\$unknown	\$347,652	\$347,652	\$nil

APPENDIX II

DIGITAL PARTNERS LIMITED (IN RECEIVERSHIP) PARTICULARS OF THE DEBTS AND LIABILITIES TO BE SATISFIED FROM THE PROPERTY IN RECEIVERSHIP AS AT THE DATE OF THE APPOINTMENT OF RECEIVERS BEING 20 APRIL 2011

SECURED CREDITORS

Trustees of The Robert Gill Trust
9 Bourne Street
Mt Eden
AUCKLAND 1024

Nicola Wagner
28 Peacock Street
CHRISTCHURCH

Brandadvantage Limited
P O Box 56 682
Mt Eden
AUCKLAND

CPG York Limited
P O Box 56 682
Mt Eden
AUCKLAND