

# Perry Dines surrounded by wall of silence

A wall of silence surrounded troubled Perry Dines Corporation Ltd today, following an announcement late yesterday that the Taranaki company had been placed in receivership.

Neither company management nor its receivers, Messrs R. Thompson and T. Schouler of the accountancy firm Coopers and Lybrand of Wellington, were available for comment today.

The Stock Exchange, which earlier in the week agreed to a suspension of trading in PDL shares, also had little to say.

It advised that Perry Dines told the Stock Exchange this morning it had invited the Bank of New Zealand as first debenture holder to appoint a receiver.

The bank had in turn appointed Messrs Thompson and Schouler as receivers.

Perry Dines added that all the directors, including managing director Mr Michael Dines, had retired from managerial positions but were offering all assistance to the receivers in ensuring orderly transaction of responsibility.

## Travelled

The receiver, travelled from Wellington to New Plymouth yesterday and got to work virtually immediately.

There was no official comments last night or again today, and it is understood it will be several days before anything can be said.

NZPA quoted Stock Exchange executive director Mr Roger Gill last night as saying the exchange had been in contact with Perry Dines representatives.

"We will keep in touch with them on a regular basis," he said.

Yesterday's appointment of receivers completed an eventful day for the New Plymouth-based heavy engineering and construction company.

On Monday Perry Dines asked the Stock Exchange to suspend quotation of its shares. The exchange agreed to the request, and suspended the shares from afternoon trading.

The company held its annual meeting in New Plymouth early yesterday, which lasted about an hour.

At that meeting directors advised shareholders it was their opinion a recently announced three-for-eight cash issue of ordinary shares should not proceed.

The board believed there were matters contained in the prospectus for the cash issue which were no longer applicable or correct.

Directors also notified the meeting that a recommendation for a final dividend for the March 31 year would be withdrawn. That dividend was recommended at 3c a share (12%) and would have cost the company \$240,000.

The Stock Exchange was asked to continue its suspension of trading in shares and rights in the company.

A statement to the Stock Exchange said the action was due to a major change pending in the company. Later in the day, it was announced the receivers had been appointed.

Perry Dines' cash issue would have raised \$1.95 million. It was to have been fully underwritten by

Wellington sharebroker Jarden and Co.

Preliminary and issue expenses were estimated at \$85,000.

The prospectus said the company was concerned about the profit achieved in the last financial year — \$1,017,000 — and was taking a number of steps to concentrate assets in areas of maximum productivity and improved liquidity.

Steps taken included the cash issue, sale of land and building at Nelson for \$1.25 million since balance date, the placing for sale of other under-utilised assets, and a close examination of overhead costs and improved management control systems.

Perry Dines had work in hand worth \$12 million at March 31, and the directors believed that with the completion of the actions outlined in the prospectus the company would be in a solid position for future growth.

At the start of the previous financial year the corporation had work in hand worth \$18 million.

At balance date the company had shareholders funds of \$6,729,000 and total assets of \$26,602,000.

Term liabilities were shown at \$6,370,000, which included term loans of \$2,904,000. Of those loans \$2.2 million was repayable at an interest rate of 16.25% in February 1987.

Current liabilities were shown at \$15,001,000 and current assets at \$14,362,000.

Perry Dines, heavily involved in energy-related construction work in New Zealand, was floated in

March last year.

Directors are Messrs Michael George Dines, Kerry Irwin and Robert Peacocke, all of New Plymouth.

Mr Dines is chairman of the company. He succeeded Sir George Chapman, Wellington, who retired for personal reasons on June 30.

Earlier this month Brierley Investments advised it had purchased 19.45% of the company for slightly more than \$1 million. That stake was later increased to 20%.

BIL said at that time it would apply to the Commerce Commission to increase its shares, but this has not yet been done.

Mr Dines sold part of his shareholding to BIL, but advised he would take up his cash issue entitlement plus the entitlement of the shares he sold to BIL. This would lift his stake in the company to 30%.

## Planes on the ground

(NZPA-Reuters—Copyright)  
LONDON, Tuesday. — Britain's Civil Aviation Authority (CAA) today ordered all planes using engines similar to the one involved in last week's Manchester crash to be grounded after spot checks revealed defects in the engine combustion chamber.  
A CAA spokesman said deterioration of the Pratt