

Deloitte.

Deloitte Restructuring Inc.
Purdy's Wharf Tower II
1969 Upper Water Street
Suite 1500
Halifax NS B3J 3R7
Canada

Tel: +19027215597
Fax: +19024235820
www.deloitte.ca

January 16, 2014

Richard W. Cregan, Q.C.
Registrar in Bankruptcy
Nova Scotia Bankruptcy Court
1815 Upper Water Street
Halifax, Nova Scotia
B3J 1S7

Dear Registrar Cregan,

Subject: Blue Wave Seafoods Inc. ("Blue Wave") – Estate #51-1810705

Please find enclosed the Proposal Trustee's second report relating to Blue Wave's application for a stay extension to be heard on January 17, 2014.

We trust you will find the enclosed to be in order.

If you have any questions please feel free to contact the undersigned at your convenience.

Sincerely,

DELOITTE RESTRUCTURING INC.
Acting in its capacity as Proposal Trustee of
Blue Wave Seafoods Inc.
and not in its personal capacity

Per:



Neil Jones, CA, CIRP
Vice President

Enclosure (Proposal Trustee's Second Report)

c: Tim Hill (Boyne Clark)
Josh McElman (Cox and Palmer)
John Stringer (McInnes Cooper)
Joe Pettigrew (Province of Nova Scotia Department of Justice)
Pamela Clarke (Burchell MacDougall)
Paul Leroux (Blue Wave Seafoods Inc.)

Estate No: 51-1810705
Court No: 37735

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF:

BLUE WAVE SEAFOODS INCORPORATED

Second Report of the Proposal Trustee pursuant to sections 50.4(7)(b)(ii) and 50.4(9) of the Bankruptcy and Insolvency Act ("BIA")

1. INTRODUCTION AND BACKGROUND

- 1.1 On November 15, 2013, Blue Wave Seafoods Incorporated ("Blue Wave" or the "Company") filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4 of the BIA. Deloitte Restructuring Inc. ("Deloitte" or the "Proposal Trustee") was appointed as the trustee under the NOI.
- 1.2 On December 12, 2013, the Proposal Trustee filed a report with this Honourable Court pertaining to the Company's application for an Order extending the amount of time for the Company to file its Proposal to creditors and an application for an Order providing for security or a charge to cover certain costs pursuant to section 64.2 of the BIA (the "First Report").
- 1.3 On December 16, 2013, this Honourable Court issued an Order (the "First Extension Order") to:
 - i. Extend the time for the Company to file a proposal pursuant to section 50.4(9) of the BIA to and including December 20, 2013, to allow the Company and Bank of Montreal ("BMO") to discuss conditions related to the further extension for the Company to file a Proposal pursuant to section 50.4(9) of the BIA to and including January 15, 2014; and
 - ii. Provide for a charge to cover certain costs pursuant to section 64.2 of the BIA up to a limit of \$40,000 (the "Administration Charge").

A copy of the First Extension Order is attached as **Appendix A**.

- 1.4 On December 19, 2013, following an agreement between the Company and BMO with respect to the conditions related to the further extension for the Company to file a Proposal, this Honourable Court issued an Order to extend the time for the Company to file a Proposal to and including January 15, 2014, pursuant to section 50.4(9) of the BIA (the "Second Extension Order"). A copy of the Second Extension Order is attached as **Appendix B**.
- 1.5 On January 14, 2014, with the consent of the Company's secured creditors, this Honourable Court issued an order (the "Third Extension Order") to extend the time for the Company to file a proposal pursuant to section 50.4(9) of the BIA to and including January 17, 2014. A copy of the Third Extension Order is attached as **Appendix C**.

2. TERMS OF REFERENCE

- 2.1 In preparing this report (the "Second Report"), Deloitte has relied upon financial information provided by the Company, and discussions with the Company's management ("Management") and its financial and legal advisors.
- 2.2 The financial information of the Company has not been audited, reviewed or otherwise verified by the Proposal Trustee as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that the Second Report may not disclose all significant matters about the Company. Additionally, none of our procedures were intended to disclose defalcations or other irregularities. Were we to perform

additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to our attention. Accordingly, the Proposal Trustee does not express an opinion or provide any other form of assurance on the financial or other information presented herein. The Proposal Trustee may refine or alter its observations as further information is obtained or brought to its attention after the date of the Second Report.

- 2.3 The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of the Second Report. Any use which any party makes of the Second Report, or any reliance or decisions to be made on the Second Report, is the sole responsibility of such party.
- 2.4 The purpose of the Second Report is to inform this Honourable Court on the following:
- i. The actual results achieved to date against the projected cash flows filed on December 12, 2013 ("First Extension Cash Flow") and projected cash flows for the period of extension being requested by the Company;
 - ii. Developments with respect to the Company's preliminary restructuring plan; and
 - iii. The Proposal Trustee's position on the Company's application for a further 30 day extension to the stay of proceedings.

3. CASH FLOW PROJECTIONS AND PRELIMINARY RESULTS

- 3.1 The First Extension Cash Flow, prepared by the Company for a 13-week period ending February 28, 2014, was filed with this Honourable Court on December 12, 2013. A copy of the First Extension Cash Flow is hereto attached as **Appendix D**.
- 3.2 The Proposal Trustee has monitored the actual cash flow results for the eight week period ending January 10, 2014 and hereto attached as **Appendix E** is an actual to budget variance analysis ("Variance Analysis"). Actual cash flows over the eight week period had a favourable variance of approximately \$132,000 as compared to the First Extension Cash Flow. This consisted of the following:
- i. Lower cash receipts and lower cost of goods sold related to a reduction in processing activity caused by unfavourable weather conditions;
 - ii. A reduction in operating costs (such as repairs and maintenance and plant equipment supplies) which represents a permanent positive variance in the cash flows; and
 - iii. Lower professional fees than anticipated which is a timing difference as these amounts will be paid in the future.
- 3.3 Since December 19, 2013, following an agreement between the Company and BMO with respect to conditions outlined in the Second Extension Order, Blue Wave has continued to operate within the BMO operating line margin limit. A limit of \$188,000 was implemented by BMO based on a margining report provided by the Company on December 23, 2013. Further, the Company has transferred the majority of the funds held and collected in its Royal Bank of Canada bank accounts and has apprised BMO of the accounts' activity since the date of the First Extension Order.
- 3.4 Cash flow projections prepared by the Company for a 13-week period ending April 11, 2014 ("Second Extension Cash Flow") are attached hereto as **Appendix F**. The Second Extension Cash Flow was prepared based on the following assumptions:

- i. The Company's major suppliers continue to support the Company through the restructuring process;
 - ii. The Company's major customers continue to support the Company ensuring adequate sales channels for processed fish;
 - iii. BMO continues to provide access to the operating line to fund the Company's operations; and
 - iv. The Company continues to operate within the BMO margining limit.
- 3.5 The Proposal Trustee notes that post-filing Accounts Payable total \$84,633. Attached hereto as **Appendix G** is a listing of post-filing accounts payable as of January 15, 2014, provided by the Company. The Company is paying post-filing obligations in the normal course of operations and within negotiated credit terms.

4. PRELIMINARY RESTRUCTURING PLAN

- 4.1 The Company has taken the following steps since the date of the First Report with respect to its restructuring plan:
- i. Management negotiated an agreement with BMO with respect to the conditions pursuant to the Second Extension Order. The Company continues to operate within the BMO operating line margin limit;
 - ii. Management has secured additional supply of raw material through its major supplier as the Company no longer has access to the silver hake licence and associated quota (the "Quota") owned by D'Eon Fisheries Limited ("D'Eon Fisheries");
 - iii. Management has had regular dialogue with its essential suppliers to confirm their continued support and timely supply of raw material, packaging materials and freight services during the NOI period;
 - iv. Management and the Proposal Trustee have held ongoing discussions with a prospective investor in order to explore all options for a restructuring of operations. On January 7, 2014, Management and the Proposal Trustee met with the prospective investor who outlined the preliminary terms of a draft proposal to the creditors of the Company and its affiliate, D'Eon Fisheries (the "Draft Proposal"); and
 - v. On January 8, 2014, Management, the Proposal Trustee and the prospective investor met with representatives of Nova Scotia Business Inc. ("NSBI") and the Province of Nova Scotia Department of Economic and Rural Development and Tourism ("ERDT") to outline the preliminary terms of the Draft Proposal.
- 4.2 Preliminary terms of the Draft Proposal outlined by the prospective investor are summarized as follows:
- i. A new entity will be incorporated by the prospective investor to operate the restructured business ("Newco");
 - ii. Newco will purchase the majority of the assets of Blue Wave and D'Eon Fisheries, including the Port Mouton processing facility, the Quota and the super chiller haddock processing line;
 - iii. Priority charges existing for both Blue Wave and D'Eon Fisheries, owed for outstanding source deductions, property taxes and professional fees covered by the Administration Charge approved in the First Extension Order, will be paid in full;

- iv. BMO, the operating lender holding a general security agreement over all assets which the Proposal Trustee understands has a first charge over accounts receivable and inventory, will be paid in full with respect to Blue Wave's outstanding operating line;
- v. Business Development Bank of Canada ("BDC"), which the Proposal Trustee understands has a first charge on the Quota and the super chiller haddock processing line owned by D'Eon Fisheries, will receive a partial payment against outstanding indebtedness on closing and an assumption of its indebtedness by Newco on normal commercial terms;
- vi. NSBI, which the Proposal Trustee understands has a first charge against Blue Wave's processing facility, will have a portion of its current indebtedness assumed by Newco; and
- vii. Unsecured creditors of both Blue Wave and D'Eon Fisheries will be offered a partial payment of proven claims which is expected to be superior to distributions which would be received in a bankruptcy scenario.

5. STAY EXTENSION APPLICATION

- 5.1 In the Proposal Trustee's view, the Company has acted and continues to act in good faith and with due diligence. The Company continued to take the following initiatives to ensure operations are not negatively affected by the NOI filing and to position itself to present a proposal to its creditors:
 - i. Communicated with major suppliers to ensure adequate sources for raw material, packaging supplies and freight services are available;
 - ii. Communicated with key customers to ensure adequate sales channels for processed fish are available;
 - iii. Communicated with secured lenders to provide updates on financial position and inform of the Company's intention to request an extension to the stay of proceedings;
 - iv. Management and the Proposal Trustee met with the prospective investor who outlined the Draft Proposal to the creditors of Blue Wave and D'Eon Fisheries. It is Management's position that the Draft Proposal will result in a higher return to unsecured creditors as compared to a bankruptcy scenario;
 - v. Management, the Proposal Trustee and the prospective investor met with representatives from NSBI and ERDT to discuss the Draft Proposal; and
 - vi. Management and the Proposal Trustee have apprised BMO and BDC of the preliminary terms of the Draft Proposal through multiple telephone conversations.
- 5.2 The Proposal Trustee believes that the prospective investor represents the only known alternative to affect a successful restructuring of the Company's operations. Based on the discussions held to date, the Proposal Trustee is of the opinion a viable proposal is achievable.
- 5.3 In the event discussions between the Company and the prospective investor are terminated, and therefore a viable proposal does not appear achievable, the Proposal Trustee will report to this Honourable Court forthwith.
- 5.4 As reflected in the Second Extension Cash Flow in **Appendix F**, the Company believes it can operate within the margining limit of the BMO credit facility during the requested stay period, thus limiting any potential prejudice, material or otherwise.
- 5.5 In the event that this Honourable Court does not grant an extension, the Company will become bankrupt effective January 18, 2013. The Proposal Trustee is of the view that more time is

required to allow the Company to assess its options in drafting a proposal which the Proposal Trustee believes will result in a higher return to unsecured creditors as compared to a liquidation scenario in the event Blue Wave is deemed bankrupt.

- 5.6 Based on the foregoing, the Proposal Trustee supports the Company's application for an Order extending the amount of time for the Company to file its Proposal to creditors.

All of which is respectfully submitted to this Honourable Court this 16th day of January, 2014.

DELOITTE RESTRUCTURING INC.

In its capacity as Trustee under the Proposal of
Blue Wave Seafoods Incorporated
and not in its personal capacity.

Per:



Neil Jones, CA, CIRP
Vice President

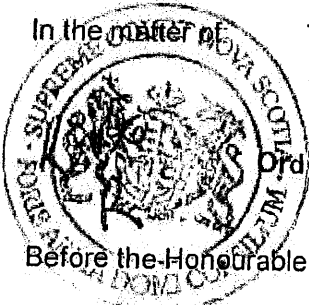
**APPENDIX A
FIRST EXTENSION ORDER**

2013

DEC 16 2013

District of Nova Scotia
Division No. 01-Halifax
Court No. 37735
Estate No. 51-1810705

Supreme Court of Nova Scotia
In Bankruptcy and Insolvency



In the matter of **The Proposal of Blue Wave Seafoods Incorporated**

Applicant

**Order Approving Extension of Time to Make a Proposal
and Providing for an Administrative Charge**

Before the Honourable Richard W. Cregan, Q.C., Registrar in Bankruptcy

Upon Blue Wave Seafoods Incorporated (the "Applicant"), having made motion for an Order to extend the time for the filing of a proposal pursuant to section 50.4(9) of the *Bankruptcy & Insolvency Act* ("BIA");

And Upon the Applicant also having made motion for an Order providing for security or a charge to cover certain costs pursuant to section 64.2 of the BIA;

An Upon reading the report of Deloitte Restructuring Inc. (the "Trustee"), dated December 11, 2013, and the other materials on file herein;

And upon hearing from counsel for the Applicant, the Trustee, and such other counsel as appeared;

It is ordered that:

SERVICE

1. To the extent necessary any required notice periods with respect to this motion are hereby abridged;
2. Any lack or deficiency in service of this motion are hereby waived and excused;
3. Service on the secured creditors of the Applicant shall be sufficient service for the purposes of this motion;

EXTENSION OF TIME TO MAKE A PROPOSAL

4. The time to file a Proposal in the proceeding is extended for ⁴~~30~~ days commencing from and including the 16th day of December, 2013, to and including ~~January 15th, 2014.~~

December 20th, 2013

RWB

R

Rx/R

\$40,000.00

ADMINISTRATION CHARGE

5. The Trustee, counsel to the Trustee, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") pursuant to section 64.2 of the BIA, said charge being a charge over all the property of the Applicant, which charge shall not exceed an aggregate amount of ~~\$75,000.00~~, as security for their professional fees and disbursements incurred at the standard rates and charges of the Trustee and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall be a first charge.

EFFECTIVE TIME & DATE

6. This Order and all of its provisions are effective as of 12:01 a.m. local time on the date of this Order.

Issued December 16 2013

RWR
R

Phyllis Perry
PHYLLIS PERRY

Deputy Registrar Deputy Registrar of Bankruptcy

**THE SUPREME COURT
COUNTY OF HALIFAX, N.S.**

I hereby certify that the foregoing is a true copy of the original order on file herein.

Dated the 16 day of December, A.D., 20 13.

Phyllis Perry
DEPUTY REGISTRAR

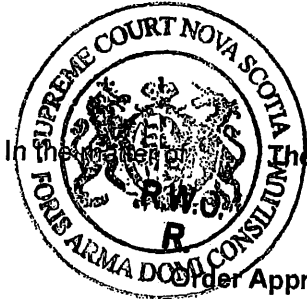
Phyllis Perry
PHYLLIS PERRY
Deputy Registrar of Bankruptcy

**APPENDIX B
SECOND EXTENSION ORDER**

2013

DEC 19 2013

District of Nova Scotia
Division No. 01-Halifax
Court No. 37735
Estate No. 51-1810705



**Supreme Court of Nova Scotia
In Bankruptcy and Insolvency**

In The Matter of The Proposal of Blue Wave Seafoods Incorporated

Applicant

Order Approving Further Extension of Time to Make a Proposal

Before the Honourable Richard W. Cregan, Q.C., Registrar in Bankruptcy

Upon Blue Wave Seafoods Incorporated (the "Applicant"), having made motion for an Order to extend the time for the filing of a proposal pursuant to section 50.4(9) of the *Bankruptcy & Insolvency Act* ("BIA");

And Upon the Applicant also having made motion for an Order providing for security or a charge to cover certain costs pursuant to section 64.2 of the BIA;

And Upon reading the report of Deloitte Restructuring Inc. (the "Trustee"), dated December 11, 2013, and the other materials on file herein;

And upon hearing from counsel for the Applicant, the Trustee, and such other counsel as appeared;

And upon issuing an Order on December 16, 2013, among other things, extending the time for the Applicant to file a proposal pursuant to section 50.4(9) of the BIA to and including December 20, 2013 to allow the Applicant, the Trustee and BMO Bank of Montreal ("BMO") to discuss conditions related to the further extension for the Applicant to file a proposal pursuant to section 50.4(9) of the BIA to and including January 15th, 2014;

And upon the Applicant, the Trustee and BMO Bank of Montreal reaching an agreement on the conditions set out herein;

It is ordered that:

EXTENSION OF TIME TO MAKE A PROPOSAL

1. The time for the Applicant to file a Proposal in the proceeding is extended to and including January 15th, 2014 on the conditions set out herein.

CONDITIONS

2. During the period of this extension, the Applicant shall:

- (a) Not sell to any customer where that customer has, or in the last year has had, an unpaid account 60 days or more after the applicable sale except upon cash upon delivery terms or with the advance consent of BMO;
- (b) Not pay any account or disbursement in excess of \$1,000, unless same is first approved in writing by the Trustee; and
- (c) Implement the agreement between the Applicant and BMO as set out in Schedule "A" hereto.

EFFECTIVE TIME & DATE

- 3. This Order and all of its provisions are effective as of 12:01 a.m. local time on the date of this Order.

Issued December 20, 2013


PHYLLIS PERRY
Deputy Registrar of Bankruptcy

**IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.**

I hereby certify that the foregoing is a true copy of the original order on file herein.

Dated the 19 day of December,
A.D., 20 13


DEPUTY REGISTRAR


PHYLLIS PERRY
Deputy Registrar of Bankruptcy

SCHEDULE "A"

1. The Applicant will cease using its account with the Royal Bank of Canada (the "Account");
2. The Applicant will transfer any funds in the Account above the amount necessary to clear the cheques issued on the Account as of December 19, 2013 to its existing account with BMO;
3. The Applicant will provide BMO with the details of all activity on the Account;
4. The Applicant's operating line with BMO shall operate with the current margining calculations up to a maximum amount of \$306,000, and BMO shall provide the Trustee with a copy of its calculation of same; and
5. The Applicant will continue to obtain EDC insurance in the normal course.

**APPENDIX C
THIRD EXTENSION ORDER**

2013

Court Administration
JAN 14 2014
Halifax, N.S.

District of Nova Scotia
Division No. 01-Halifax
Court No. 37735
Estate No. 51-1810705

Supreme Court of Nova Scotia
In Bankruptcy and Insolvency



The Proposal of Blue Wave Seafoods Incorporated

Applicant

Order Approving Further Extension of Time to Make a Proposal

Before the Honourable Richard W. Cregan, Q.C., Registrar in Bankruptcy

Upon Blue Wave Seafoods Incorporated (the "Applicant"), having made motion for an Order to extend the time for the filing of a proposal pursuant to section 50.4(9) of the *Bankruptcy & Insolvency Act* ("BIA");

And Upon it appearing that the secured creditors of the Applicant do not oppose the said motion;

It is ordered that:

EXTENSION OF TIME TO MAKE A PROPOSAL

1. The time for the Applicant to file a Proposal in the proceeding is extended to and including January 17, 2014; and
2. The conditions set out in paragraph 2 of the Order of the Court issued December 19, 2013, shall continue to apply.

EFFECTIVE TIME & DATE

3. This Order and all of its provisions are effective as of 12:01 a.m. local time on the date of this Order.

Issued January 14, 2014
IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.

I hereby certify that the foregoing is a true copy of the original order on file herein.

Dated this 14 day of January, A.D., 2014.

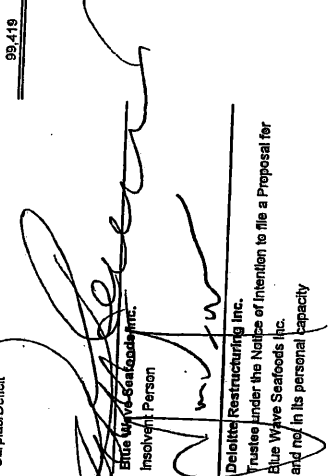
Phyllis Perry
DEPUTY REGISTRAR

Phyllis Perry
PHYLLIS PERRY
Deputy Registrar of Bankruptcy

**APPENDIX D
FIRST EXTENSION CASH FLOW**

Blue Wave Seafoods Inc.
WEEKLY CASH FLOW PROJECTION

	WEEK ENDING											Total	
	6-Dec-13	13-Dec-13	20-Dec-13	27-Dec-13	3-Jan-14	10-Jan-14	17-Jan-14	24-Jan-14	31-Jan-14	7-Feb-14	14-Feb-14	21-Feb-14	28-Feb-14
A													
Opening cash balance	(175,555)	(206,561)	(186,535)	(175,595)	(138,409)	(170,936)	(176,954)	(185,754)	(196,683)	(259,359)	(215,719)	(212,337)	(232,977)
Receipts	221,707	182,662	182,094	182,379	177,741	109,768	105,868	86,093	76,193	136,000	158,708	136,796	106,500
Collections				54,500	19,750								32,100
Miscellaneous receivables	221,707	182,662	182,094	236,879	177,741	129,518	105,868	86,093	76,193	136,000	158,708	136,796	138,600
Disbursements	184,639	117,673	133,951	151,260	132,191	82,513	71,720	54,845	64,595	67,345	98,160	82,220	87,000
Cost of goods sold	8,750	30,050	15,730	33,550	17,450	34,850	19,950	24,550	26,050	8,750	25,350	27,950	25,250
Operating expenditures	14,893	14,893	14,893	14,893	17,626	16,173	17,626	18,173	19,266	19,266	19,266	19,266	19,266
Professional fees	44,450	-	6,550	-	43,000	-	4,625	-	29,050	-	12,550	-	37,050
Overdue CRA/WCB remittances	-	-	-	-	-	-	-	-	-	-	-	-	-
Net weekly cash flows	(31,926)	20,946	10,950	37,176	(32,526)	(6,016)	(8,800)	(10,929)	(61,675)	42,639	3,382	(20,640)	(29,966)
A+D	(206,561)	(186,535)	(175,565)	(138,409)	(170,936)	(176,954)	(185,754)	(196,683)	(215,719)	(212,337)	(212,337)	(232,977)	(262,943)
Operating loan availability	306,000	306,000	306,000	306,000	306,000	306,000	306,000	306,000	306,000	306,000	306,000	306,000	306,000
Surplus/Deficit	99,419	119,465	130,415	167,591	135,064	129,046	120,246	109,317	47,642	90,261	93,663	73,023	43,057


 Deloitte Restructuring Inc.
 Trustee under the Notice of Intention to file a Proposal for
 Blue Wave Seafoods Inc.
 and not in its personal capacity

APPENDIX E
CASH FLOW VARIANCE ANALYSIS

Blue Wave Seafoods Inc.
WEEKLY CASHFLOW PROJECTION COMPARISON TO ACTUAL

Cumulative Variance Analysis
Forecast Actual Variance Notes
For Eight Weeks Ending January 10, 2014

Opening cash balance	A	(247,022)	(247,022)	
Receipts				
Collections		1,267,530	957,112	(310,418) 1
Miscellaneous receivables		115,275	67,157	(48,118)
Total Receipts	B	1,382,805	1,024,269	(358,536)
Disbursements				
Cost of goods sold		902,932	593,683	309,249 1
Operating expenditures		196,650	84,095	112,555 2
Compensation		125,705	106,804	18,901
Professional fees		87,450	37,750	49,700 3
Total Disbursements	C	1,312,736	822,332	490,404
Net weekly cash flows	D = B-C	70,068	201,937	131,869
Cumulative cash from operations	A+D	(176,954)	(45,085)	131,869
Operating loan availability		306,000	306,000	- 4
Surplus/Deficit		129,046	260,915	131,869
Ending cash balance		(176,954)	(45,085)	131,869

Notes

Note 1: Variance primarily due to delayed supply of raw material for processing as a result of unfavourable offshore weather.

Note 2: Variance primarily due to lower levels of processing due to delayed supply of raw material as discussed in Note 1 above.

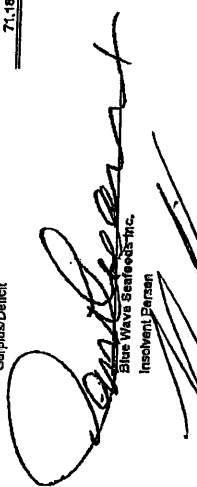
Note 3: Variance due to timing of payment of professional fees.

Note 4: The operating line has a margin limit of \$306,000 during the post-filing period, however the latest margining approved by the operating lender as at December 24, 2013 was \$188,000.

APPENDIX F
SECOND EXTENSION CASH FLOW

Blue Wave Seafoods Inc.
WEEKLY CASH FLOW PROJECTION

	WEEK ENDING												Total
	17-Jan-14	24-Jan-14	31-Jan-14	7-Feb-14	14-Feb-14	21-Feb-14	28-Feb-14	7-Mar-14	14-Mar-14	21-Mar-14	28-Mar-14	4-Apr-14	
A													
Opening cash balance	(45,085)	(83,750)	(107,874)	(177,234)	(184,500)	(185,186)	(175,994)	(203,634)	(178,770)	(151,454)	(131,649)	(124,568)	(60,030)
Receipts													
Accounts receivable	105,668	86,093	76,183	103,000	158,708	138,796	106,500	114,250	135,140	135,140	132,772	149,355	143,801
Miscellaneous receivables	-	-	-	-	-	-	32,100	-	-	-	33,100	-	-
	105,668	86,093	76,183	103,000	158,708	138,796	138,600	114,250	135,140	135,140	165,872	149,355	143,801
B													
Disbursements													
Cost of goods sold	95,375	78,500	85,530	91,000	110,900	92,640	97,420	66,420	71,138	71,138	97,875	83,851	74,706
Operating expenditures	11,200	14,050	12,800	-	16,800	17,700	12,500	1,700	14,900	17,900	9,500	1,700	12,400
Compensation	18,173	17,626	18,173	19,266	19,266	19,266	19,266	19,266	19,266	19,266	19,266	19,266	19,266
Professional fees	19,625	-	29,650	12,850	-	37,650	-	-	9,550	-	32,050	-	9,550
	144,373	110,176	145,553	110,266	159,336	129,606	166,236	89,386	114,854	108,304	158,791	104,817	119,524
C													
Net weekly cash flows	(38,705)	(24,084)	(69,369)	(7,266)	(688)	9,150	(27,636)	24,864	20,288	26,836	7,081	44,538	23,977
D = B - C													
Ending cash balance	(83,794)	(107,874)	(177,234)	(184,500)	(185,186)	(175,996)	(203,634)	(178,770)	(156,484)	(131,649)	(124,568)	(60,030)	(65,053)
A + D	154,578	171,512	230,397	285,522	272,130	268,142	283,532	296,021	301,973	300,504	306,000	306,000	306,000
Surplus/Deficit	71,189	64,838	43,073	81,022	86,942	92,144	78,898	117,251	143,488	158,855	181,432	224,970	248,947


David Parson
Insolvent Director
Blue Wave Seafoods Inc.
Defaulting Manufacturing Inc.
Trustee under the Notice of Intention to file a Proposal for
Blue Wave Seafoods Inc.
and not in its personal capacity

**APPENDIX G
POST-FILING ACCOUNTS PAYABLE**

Blue Wave Seafoods Inc.
Vendor Aged Summary As at 15-01-14

Name	Total	Current	31 to 60	61 to 90	91+
No Department					
Z-Allstream Inc	114.91	114.91	-	-	-
Z-AON Reed Stenhouse Inc	39,233.50	-	39,233.50	-	-
Z-Bell Aliant - 683-2044	283.18	-	283.18	-	-
Z-Bell Aliant - 6832216	12.39	12.39	-	-	-
Z-Bell Aliant - 683-2366	133.04	-	133.04	-	-
Z-Bell Aliant 683-9909	42.91	-	42.91	-	-
Z-Bell Mobility Inc	768.31	768.31	-	-	-
Z-Blue Wave Energy- Diesel	6,141.00	-	6,141.00	-	-
Z-Burchell MacDougall	4,090.75	-	4,090.75	-	-
Z-Cassa Business Equipment	157.49	157.49	-	-	-
Z-Castle Appraisals Ltd	2,875.00	-	2,875.00	-	-
Z-Culligan Water Store	16.04	16.04	-	-	-
Z-Deloitte LLP	26,363.46	26,363.46	-	-	-
Z-Deringer Managing Logistic	38.00	38.00	-	-	-
Z-Great West Life	4,968.90	-	4,968.90	-	-
Z-Kerntag Enterprises Ltd.	2,910.24	2,910.24	-	-	-
Z-Midland Courier	122.21	122.21	-	-	-
Z-Nova Industrial Supplies Ltd	39.22	-	39.22	-	-
Z-W.R. Bolivar Transport Ltd	-3,734.95	13,883.64	-17,618.59	-	-
Z-Yarmouth and Area Chamber...	57.50	-	57.50	-	-
Department Total outstanding:	84,633.10	44,386.69	40,246.41	-	-
Total outstanding:	84,633.10	44,386.69	40,246.41	-	-