

## **Receiver's first report on the state of affairs of Forest Prep (NZ) Limited (In Receivership) 'the company' as at 2 February 2009**

### **Introduction**

Thomas Lee Rodewald and Kenneth Peter Brown were appointed joint Receivers and Managers of the above company on the 2<sup>nd</sup> day of February 2009.

The appointment arose under the powers contained in a General Security Agreement dated 29 January 2009 which consists of all present and after acquired personal property.

We set out below our first report on the state of the affairs of the above named company as required by section 23 of the Receivership Act 1993.

### **Disclaimer**

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### **Events Leading up to Our Appointment**

Leading up to the appointment, attempts were made to restructure the company. When this did not succeed discussions were held with the Directors, the result being due to the company's financial position, the Directors requested that Receivers and Managers be appointed as soon as possible.

### **Trading On/Closure of Business**

At the commencement of the receivership the company operated a business contracted to Timberlands Limited operating in the Kaingaroa Forest, it also had a minor stump grinding contract in Rotorua. The Receivers chose to continue to trade the business, with a view to selling as a going concern.

The business was advertised for sale, however a going concern sale was not achieved. Trading ceased when the sale of a number of assets took place.

### **Debtors**

All the monies owing for the Timberlands contract have been received.

### **Amounts Owing to the General Security Agreement Holders**

At the date of the Receiver's appointment the amounts owing were as follows:

	\$
Bank of New Zealand	179,906
	<u>179,906</u>

### **Specific Security Creditors**

At the date of the Receiver's appointment the amounts owing were as follows:

	\$
GE Commercial Finance	305,930
	<u>305,930</u>

### **Preferential Creditors**

IRD - GST	10,401
	<u>10,401</u>

<b>Total Secured and Preferential Creditors</b>	<u><u>\$496,237</u></u>
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### **Assets Disposed of to Date**

A number of assets have been sold including a Holden Rodeo Ute, a Toyota Prado vehicle and two Sumitomo Excavator's.

From the proceeds of the sale a payment of \$112,500 has been made to the Bank of New Zealand, pursuant to their General Security Agreement. A payment has also been made of \$265,000 to GE Commercial Finance pursuant to their Specific Security Agreement. The Receivers are speaking with a number of interested parties in relation to the remaining assets.

### **Unsecured Creditors**

Due to the extent of the secured creditor claims there are unlikely to be any funds available for returning to the company, or a Liquidator at the conclusion of the receivership for distribution to unsecured creditors. The total amount claimed by unsecured creditors to date is \$55,368.

### **Assets & Liabilities of the Company**

We attach as *Appendix 1* a list of the assets and liabilities of the company as at the date of appointment.

### **Receipts & Payments**

We attach as *Appendix 2* a list of receipts and payments to 15 April 2009. This does not include any Receiver's fees for April 2009.

Also attached is *Appendix 3* a list of creditors as at commencement of the receivership.

**Information Provided by the Company**

The Directors of the company has co-operated in making available the information required by the Receivers to complete this report.



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Thomas Lee Rodewald  
*Joint Receiver and Manager*

*Appendix 1*

**Statement of Assets & Liabilities for Forest Prep (NZ) Limited  
(In Receivership) as at 2 February 2009**

	<b>Estimated Return Value</b>
<b>ASSETS</b>	
Debtors	59,904
Plant Equipment & Vehicles	<u>434,687</u>
<b>Total Assets</b>	<u><u>\$494,591</u></u>
<b>LIABILITIES</b>	
<b>CHARGE HOLDERS</b>	
<b>General Security Agreements</b>	
Bank of New Zealand	<u>179,906</u>
	179,906
<b>Specific Security Agreements</b>	
GE Commercial Finance	<u>305,930</u>
	305,930
<b>PREFERENTIAL CREDITORS</b>	
<i>IRD</i>	
GST	10,401
<b>UNSECURED CREDITORS</b>	
Trade Creditors	55,368
<b>Total Liabilities</b>	<u>\$551,605</u>
<b>Net Deficit</b>	<u><u>\$57,014</u></u>
Subject to receivership costs	

**Forest Prep (NZ) Limited (In Receivership)***Appendix 2***Receipts and Payments from 2 February 2009 to 15 April 2009****GST exclusive****Receipts**

GST on income	25,543.36	
Debtors	80,735.74	
Interest Received	86.40	
Sale of Vehicles	11,111.12	
GST portion of GE sale	33,125.00	
Sale of Assets	<u>377,500.00</u>	
		\$528,101.62

**Payments**

GST on expenses	4,602.59	
Advertising	1,749.90	
GSA holder payment - BNZ	112,500.00	
GST paid	54,065.77	
RWT on Interest	16.85	
Legal fees	2,182.35	
Receivers fees	19,678.50	
Stock Purchases	158.58	
Valuation	1,350.00	
Wages	21,700.20	
Receivers trading	372.05	
Fuel	6,167.29	
Security holder payment – GE Commercial Finance	265,000.00	
Machine repair & maintenance	<u>5,161.85</u>	
		\$494,705.93

**Net Funds**\$ 33,395.69**Represented By:**

National Bank - Trust Account	326.14
National Bank – Trust Call Account	<u>33,069.55</u>
	<u>\$ 33,395.69</u>

### Appendix 3 – List of Creditors

#### Forest Prep (NZ) Limited (In Receivership)

Bank of New Zealand	Cnr Fenton & Hinemoa Streets		Rotorua
GE Finance & Insurance	PO Box 4058		Auckland 1001
AB Equipment	PO Box 5351		Mount
Accident Compensation Corporation	PO Box 38023	Te Puni	Maunganui 3116
Active Engineering Ltd	PO Box 7264	Te Ngae	Wellington
Bay Oil Supplies & Services Ltd	PO Box 6108		Rotorua 3042
Beaurepairs	PO Box 40343		Rotorua 3043
			Upper Hutt 5140
			South Auckland
Blackwoods & Pykels	Private Bag 94048		Mail Centre
BOC Ltd	26 Riri Street		Rotorua
Cable Price Ltd	PO Box 747		Rotorua
Chevron New Zealand	PO Box 3221		Wellington
Dudley Mechanical Prep	PO Box 883		Taupo 3351
Duroweld	PO Box 8253		New Plymouth
EMS Electrical	PO Box 10160		Rotorua 3046
Equipment & Transport Leasing Ltd	PO Box 10055	Te Rapa	Hamilton
Erskine-Shaw Accountants Ltd	PO Box 506		Rotorua 3040
Haua Engineering Ltd	PO Box 2064		Rotorua 3040
Hirepool Ltd	PO Box 12048	Penrose	Auckland 1642
			Rotorua Mail
			Centre
Hydraulink	PO Box 1018		Rotorua
Impact Glass & Windscreens Ltd	37 Te Ngae Road		Rotorua
Inland Revenue Department	Private Bag		Rotorua
		Manawatu Mail	Palmerston North
		Centre	4442
Land Transport NZ	Private Bag 11777		Auckland 2150
Mainfreight International	PO Box 73052	Airport Oaks	Auckland 1730
McEntee Hire Service Ltd	PO Box 72-196	Papakura	Wellington 6141
NZ Police	PO Box 9147		Rotorua 3040
O'Sullivan Clemens Lawyers	PO Box 646		Rotorua 3046
Reuzit Air Filters NZ Ltd	PO Box 10161		Tauranga
Rowe Motors Ltd	PO Box 9204		Taupo
Schultz Engineering Ltd	PO Box 1440		Taupo
Self Loader Logging Ltd	PO Box 1531		
Seweeney Townsend & Associates			
Ltd	PO Box 1747		Rotorua
Tickelpenny Automotive 2003 Ltd	49 Riri Street		Rotorua