

Receivers First Report on the State of Affairs of Helico Limited (In Receivership) 'the company' as at 3rd day of September 2009

Introduction

Thomas Lee Rodewald and Robert James Neilson were appointed Joint Receivers and Managers of the above company on the 3rd day of September 2009.

The appointment arose under the powers contained in a General Security Agreement ("GSA") dated the 14th day of May 2008 which property consists of all present and after acquired personal property and all personal property in which they have rights, whether now or in the future.

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.

Events Leading up to our Appointment

Shortly before the appointment the company was the subject of an independent analysis. Due to the company's financial position the appointing GSA holder appointed the receivers and managers before the completion of the analysis.

Trading-on/Closure of Business

At the commencement of the receivership the company was engaged in work with Timberlands Limited in the Rotorua District and Ernslaw One Limited in the Gisborne District. The receivers reviewed the work in progress and elected to cease trading the company a short time after the receivership commenced.

Sale of Business

The business was advertised for sale as a going concern, no sale was achieved.

Assets

Assets of the company were located in the Rotorua, Gisborne and Tauranga Districts. The receivers have secured the majority of assets. Some assets were not viable to collect, those assets not accounted for have been reported to the Police as stolen.

Some of the assets secured by the receivers have legal issues surrounding them in relation to the Personal Properties Securities Register ("PPSR"). Of the two issues, one has been resolved, the other is still being discussed with the relevant creditor.

Sale of Assets

The receivers have sold a small number of minor assets. Negotiations are continuing for a sale of the remaining assets, which includes vehicles, trailers and other plant and equipment.

Debtors

Funds have been received from Timberlands Limited, however a debtor financing arrangement occurred between the company and Interface Financial Group.

At the commencement of the receivership shortfalls existed on the factoring arrangement. The receivers, Timberlands Limited, the director and Interface Financial Group are working to reconcile the difference.

Ernslaw One Limited is establishing what monies, if any, are owed to the company and will advise in due course.

A small number of historical debtors were shown in the company records. The receivers have made enquires and decided not to take any further action.

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	<u>921,815</u>
	\$921,815
Specific Security Creditors	
Momentum 2002 Ltd	59,502
Bridgestone Firestone NZ Ltd	<u>2,951</u>
	\$62,453
Preferential Creditors	
Employee wages and holiday pay claims	<u>10,266</u>
	\$10,266
The Inland Revenue Department	
PAYE	39,902
GST	<u>223,586</u>
	\$263,488
Total Secured and Preferential Creditors	<u>\$1,258,022</u>

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 due to unsecured creditors to date is \$1,281,602.

Assets & Liabilities of the Company

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

Receipts & Payments

We attach as *Appendix II* a list of receipts and payments to 3 November 2009.

Information Provided by the Company

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



Thomas Lee Rodewald
Joint Receiver and Manager



Robert James Neilson
Joint Receiver and Manager

*Appendix I***Statement of Assets & Liabilities for Helico New Zealand Limited
(In Receivership) as at 3 September 2009**

	Estimated Realisable Value
ASSETS	
Cash at Bank	nil
Office Equipment	5,370
Plant & Equipment	7,140
Vehicles	82,400
Debtors	8,379
Total Assets	<u>103,289</u>
LIABILITIES	
CHARGE HOLDERS	
General Security Agreement	
Bank of New Zealand	921,815
	<u>921,815</u>
Specific Security Agreement	
Momentum 2002 Ltd (Interface Financial)	59,502
Bridgestone Firestone NZ Ltd	2,951
	<u>62,453</u>
PREFERENTIAL CREDITORS	
Employees	
- Wages	7,266
- Holiday Pay (Incl PAYE)	3,000
	<u>10,266</u>
Inland Revenue Department	
- GST	223,586
- PAYE	39,902
	<u>263,488</u>
UNSECURED CREDITORS	
Trade & Unsecured Creditors	<u>1,281,602</u>
	Total Liabilities <u>\$2,539,624</u>
Subject to receivership costs	Net Deficit <u>\$2,336,335</u>

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without written permission in each specific instance. The Receivers do not accept any responsibility or liability for any damage or loss occasioned to any party as a result of the circulation, publication, reproduction or use of this report. In particular the Receivers take no responsibility for any misinformation contained therein that has been supplied by the company, its officers or any other person. The report is also based upon information available at this date, and the Receivers therefore reserve the right to review, and if necessary, amend the report.

Helico New Zealand Limited (In Receivership)
Receipts and Payments from 3 September 2009 to 3 November 2009

GST exclusive

Receipts

GST on income	2,838.90	
Debtors	16,361.17	
Sale of assets	6,350.00	
Appointing GSA holder advance	20,339.82	
Settlement - Legal	37,500.00	
		83,389.89

Payments

GST on expenses	6,887.13	
Advertising	1,349.33	
Electricity	111.06	
Insurance	4,362.37	
Secured Creditor - Interface	7,200.00	
PAYE paid	1,795.64	
Preferential payment - wages and holiday pay	8,915.42	
Receivers fees	21,134.04	
Rent	2,144.06	
Searches	15.76	
Security	5,632.05	
Storage and removal	7,521.60	
Transport costs	1,270.19	
Valuation	1,230.00	
Wages	922.20	
Vehicle Recovery	2,711.56	
Computer Expenses	415.00	
		73,617.41

Net Funds

\$ 9,772.48

Represented By:

RHB Trust Account 9,772.48

\$ 9,772.48