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Receiver's First Report on the State of Affairs of LTM Contracting Limited (In Receivership) 'the company' As at 14 May 2016

Introduction

Thomas Lee Rodewald was appointed Receiver and Manager of the above company on the 10th day of March 2016.

The appointment arose under the powers contained in a General Security Agreement dated the 21st day of August 2014 which consists of all the debtor's present and after acquired property.

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

Thomas Lee Rodewald was also appointed Receiver and Manager of the company shareholders Tracy Hurley and Larry Middleton on the 10th Day of March 2016, but subsequently resigned from these appointments on the 8th day of April 2016.

Events Leading up to Appointment

LTM Contracting Limited defaulted on its arrangements with Porter Finance Limited. Porter Finance Limited repossessed its equipment, and then appointed a Receiver to ascertain what assets existed, subject to its general security charge.

Trading On/Closure of Business

Following appointment, the Receiver ceased to trade the company's business. A staff member was terminated. Secured creditor claims are being reviewed, validated and then prioritised. Where relevant, assets were returned to the secured creditors.

Debtors

There is a small debtor's ledger to collect. The Receiver is currently dealing with a large disputed debt that is in excess of \$40,000.

Amounts Owing to the General Security Agreement Holders

At the date of the Receiver's appointment the Porter Finance Limited was owed \$1,558,479 before the sale of repossessed assets.

The first general security holder, the ANZ bank, was owed \$1,058,371. The majority of this debt relates to a cross guarantee for advances made to the shareholders associated trust. We understand the trust assets are insufficient to cover the full ANZ debt.

Specific Security Creditors

Amounts are owed to Specific Security Creditors as follows:

UDC	\$ 244,691
BMW Financial Services	\$ 129,520
Partners Finance	\$ 78,519
Avardo Funding	\$ 43,378
BOC Limited	Unknown
Christchurch Readymix Concrete Limited	\$5,795
Geofabrics New Zealand Limited	\$314
Heartland Bank Limited	\$543
Hynds Pipe Systems Limited	\$836
Steel and Tube Holdings Limited	\$916
Total Owed to Specific Security Creditors	<u>\$504,512</u>

Preferential Creditors

Employee wages claims (estimate) (Note 1)	\$10,000
IRD (Note 1)	\$30,425
Total Owed to Preferential Creditors	<u>\$40,425</u>

Note 1: Full details of the possible liabilities are yet to be received. We note some IRD returns are yet to be filed.

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 \$97,514.

Assets and 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 and Payments

We attach as **Appendix II** a list of receipts and payments to 12 May 2016.

Information Provided by the Company

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



Thomas Lee Rodewald
Receiver and Manager

**Statement of Assets and Liabilities for LTM Contracting Limited (In Receivership)
As at 10 March 2016**

		Estimated Realisation Value
<u>ASSETS</u>		
Accounts Receivable (Note 1)		65,910
Fixed Assets (Note 2)		Unknown
Total Assets		Unknown
<u>LIABILITIES</u>		
<i>CHARGE HOLDERS</i>		
General Security Agreements		2,616,850
Specific Security Agreements		504,512
<i>PREFERENTIAL CREDITORS</i>		
Employees	<i>Estimated</i>	10,000
Inland Revenue Department	<i>Per claim</i>	30,425
<i>UNSECURED CREDITORS</i>		
Non PPSR Charge Holders	Accounts Payable	92,122
IRD (Penalty and Interest)		5,392
	Total Liabilities	3,259,301
	Net Deficit	Unknown

Note: The statement excludes any values for the shareholders current account and any intercompany and related party debts, which are currently being established.

Note 1: The major debtor owing in excess of \$40,000 has disputed his debt.

Note 2: Various assets have been returned to charge holders or repossessed prior to receivership. The receiver has possession of minor assets with an estimated value of less than \$10,000.

LTM Contracting Limited (In Receivership)
Receipts and Payments from 10 March 2016 to 12 May 2016

GST exclusive**Receipts**

GST on income	1,249.12	
Debtors	8,327.50	
Interest Received	-	
	<hr/>	9,576.62

Payments

GST on expenses	658.39	
GST paid	1,249.12	
Legal fees	2,150.40	
Travel	1,021.17	
Agents Fees	1,217.57	
Secured Creditor	551.98	
	<hr/>	6,848.63

Net Funds

\$ 2,727.99

Represented By:

ANZ Bank - Trust Account	2,727.99
ANZ Bank - Trust Call Account	-

\$ 2,727.99
