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**Receiver's First and Final Report on the State of Affairs of
Great Lake Aluminium and Glass Limited (In Liquidation and In Receivership)
("the Company")
as at 25 June 2019**

Introduction

Thomas Lee Rodewald was appointed as Receiver of the above-named Company on 4th April 2019 under the powers contained in a general security agreement dated 13th November 2013 which property consists of all present and after acquired property.

We set out below our first report on the state of the affairs of the above named company as required by section 23 and 24 of the Receivership Act 1993 ("**the Act**").

Disclaimer

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Events leading up to Appointment

The Receiver was engaged by the Company prior to receivership to complete a review of its financial position. However, prior to completion of the project, the director of the Company requested that the Bank of New Zealand ("**the GSA Holder**") appoint a receiver to the Company due to its deteriorating financial position.

Trading/Sale of the Business

The business of the Company was trading at the time of the Receivership from its premises in 19 Manuka Street, Tauhara, Taupo. The Receiver concluded it was in the best interests of all creditors to trade the business while a sale process was undertaken to see if there were any interested parties.

An offer for the sale of the business as a going concern was received on 5th April 2019 and a sale and purchase agreement was executed that date with possession being given to the purchaser on 8th April 2019.

The sale of the business included the assets secured to the GSA Holder, work in progress, inventory and selected debtors. The sale transaction settled on 18 April 2019.

The receiver has undertaken an analysis of the claims asserted by two PMSI creditors over the work in progress, inventory and debtors sold as part of the sale. The claims were settled from the proceeds generated and are detailed later in this report.

Amounts Owing to the General Security Agreement Holders

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

<i>General Security Agreements</i>	\$
1 st Bank of New Zealand	1,528,648

Specific Security Creditors

<i>Specifically Charged Assets</i>	\$
Altus NZ Limited – Goods Other	393,794.70
Assa Abloy New Zealand Limited	19,877.89
Exlair (NZ) Limited	220.17
Finance Now Limited	Unknown
Glasscorp Limited	3,674.47
Metropolitan Glass & Glazing Limited	143,824.29
NZGT (FP) Trustee Limited	Unknown
Sharp Corporation of NZ Limited	21,685.14
SIFCO Distributors Limited	1,067.68
Toyota Finance Limited	Unknown
UDC Finance Limited	12,817.63

Total Secured Creditors	\$
	2,125,609.97

Preferential Creditors

The IRD have yet to submit their claim which sets out their preferential claim component.

We are aware that there are ten former staff with claims for unpaid wages and holiday pay for the total amount of \$19,473.79. We have distributed towards this claim and this is reflected in the statement of receipts and payments.

The balance of funds from preferential sources has been paid to the liquidator.

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.

Assets & Liabilities of the Company

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

Inventory and Debtor Proceeds

The receiver has allocated their time and expenses against the various categories (GSA Assets, Inventory, Debtors and General Admin) as required by section 30 of the Act.

An apportionment exercise has also been undertaken with respect to these costs in the manner set out in section 30(2B) of the Act. The relative apportionments for charges that relate to all categories were GSA (46%), Inventory (26%), Debtors (9%) and General Admin (20%). Costs incurred under General Admin were further apportioned against each respective proceed silo with GSA Assets absorbing 75% and inventory and debtors absorbing 25% each respectively.

Debtors

Proceeds from debtors were received from two sources: proceeds from the sale transactions and proceeds from those debtors retained and collected by the receiver.

Proceeds received from the debtors were subject to claims from PMSI creditors which were quantified and settled.

The funds from debtors were applied in the following manner:

	<i>GST Exclusive (\$)</i>
<i>Total Debtor Proceeds</i>	28,056.68
<i>Less PMSI Claims Settled</i>	(9,802.76)
<i>Less Receiver's Fees</i>	(6,376.88)
<i>Less Receiver's Other Costs*</i>	(2,948.26)
<i>Balance</i>	8,928.78

*other costs include trading expenses and legal costs that relate to the debtors realisation/collection

Inventory

The receiver was dealing with two categories of inventory at date of receivership – work in progress at the date of receivership and stock on hand.

Both the stock and the work in progress were sold as part of the sale transaction. Proceeds received from the inventory were subject to claims from PMSI creditors which were quantified and settled.

The funds from debtors were applied in the following manner:

	<i>GST Exclusive (\$)</i>
<i>Total Inventory Proceeds</i>	45,000.00
<i>Less PMSI Claims Settled</i>	(10,648.73)
<i>Less Receiver's Fees</i>	(13,881.86)
<i>Less Receiver's Other Costs*</i>	(4,173.78)
<i>Balance</i>	16,295.63

*other costs include trading expenses and legal costs that relate to the inventory realisation process

Receipts & Payments

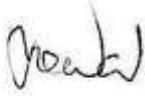
We attach as **Appendix 2** a list of receipts and payments to 25 June 2019.

Finalisation of Receivership

The Receiver has decided to resign from this appointment and as result the Receivership was terminated on 25 June 2019.

Closing

We have no further matters to report upon.

A handwritten signature in black ink, appearing to read 'Rodewald', is positioned above the typed name.

Thomas Lee Rodewald
Receiver

Appendix 1

**Statement of Assets & Liabilities for Great Lake Aluminium and Glass Limited (In Receivership)
as at 4th April 2019**

	Estimated Return Value
<u>ASSETS</u>	
Cash on Hand	0.00
Accounts Receivable	28,056.68
Work In Progress	30,000.00
Stock on Hand	15,000.00
Fixed Assets	80,000.00
Total Assets	<u><u>153,056.68</u></u>
<u>LIABILITIES</u>	
CHARGE HOLDERS	
General Security Agreements	1,528,648.00
Specific Security Agreements	596,961.97
PREFERENTIAL CREDITORS	
Employees	20,704.07
Inland Revenue Department	Unknown
UNSECURED CREDITORS	
Non-PPSR Charge Holders	309,744.30
Inland Revenue Department	Unknown
Total Liabilities	<u><u>2,455,018.08</u></u>
Net Deficit	<u><u>Unknown</u></u>

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

Disclaimer

This statement should be read in conjunction with the disclaimer on page one of the above Receiver's report and Rodewald Consulting Limited have not audited the report and they, their directors or employees accept no liability to any other party in relying on the information presented. The purpose of the report is to give creditors of the company an indication of the financial position of the company as at the date of appointment of the Receiver.

Appendix 2

**Great Lake Aluminium and Glass Limited (In Receivership)
Receipts and Payments from 4th April 2019 to 25 June 2019**

GST exclusive

Receipts

Pre Appointment Debtors – GST	13,056.68	
Sale of Business - Debtors	15,000.00	
Sale of Business – Inventory	15,000.00	
Sale of Business – WIP	30,000.00	
Sale of Business – Assets	80,000.00	
Interest Received	7.19	
GST on Income	2,338.77	
GST Paid/Refunded	<u>8,846.52</u>	
		<u>164,249.16</u>

Payments

Advertising	126.54	
Electricity/Gas	17.10	
Accounting/Professional Fees	100.00	
Sundry Expenses – Receivership	590.64	
Wages & Salaries	5,667.25	
Agents Fees	898.66	
Liquidators Fees	2,500.00	
Legal Fees	5,005.87	
Receiver’s Fees	41,810.50	
Travelling Expenses	532.66	
RWT	2.01	
Preferential Payment – Staff	19,473.79	
Secured Creditor – PMSI	20,451.49	
GSA Holder Payment	51,181.73	
Funds to Liquidator on Behalf of Pref Claim	4,705.63	
GST on expenses	<u>11,185.29</u>	

164,249.16

Net Funds

0.00