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Receiver's First Report on the State of Affairs of Core Infrastructure Limited (In Receivership) 'the company' as at 28th March 2020

Thomas Lee Rodewald and Kieran Jones were appointed as Receiver and Managers of the above company on 20 January 2020 under the powers contained in a general security agreement dated 10 January 2020 which property consists of all present and after acquired personal property.

On 18 March 2020 the Company was placed into liquidation by order of the High Court with Iain Shephard and Jessica Kellow appointed as joint and several liquidators.

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

We understand that the Company was involved with a dispute with its major customer, Transmission Gully Joint Venture ("TG"), prior to our appointment as receivers. We understand the dispute caused the quarrying and the trucking operations of the Company to be suspended. This operational suspension caused our appointor, Equipment and Transport Leasing Limited ("the GSA Holder"), to appoint a receiver to the Company due to its deteriorating financial position.

Closure of Business

The receivers attended the quarry site on 22 January 2020 and held a staff meeting with the quarry staff. The receivers terminated their contracts and then disseminated this information out to the rest of the non-attending truck drivers employed by the Company. Correspondence was sent out to all staff advising of the termination shortly thereafter.

Debtors

The receivers have engaged with TG regarding unpaid invoices at the date of the Company's receivership. TG has paid the receivers \$779,131.67 in satisfaction of several unpaid invoices. In addition, the receivers have also collected two payments of \$20,901.25 and \$111,021.00 respectively from another customer of the Company.

Assets

The receivers have taken steps to take possession of assets of the Company located at the former quarry site in Masterton. A sale process with a local auctioneer is currently underway to realise the value of those assets. The value of these assets is not yet known.

Legal Proceedings

The receivers have commenced legal action against the director of the company for an overdrawn current account. As part of this proceeding, the High Court has granted the receivers a freezing order over the director's personal bank account. As at the date of this report the proceedings have not concluded.

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 Equipment and Transport Leasing Limited	885,144.87

Specific Security Creditors

<i>Specifically Charged Assets</i>	\$
Pacific Crest Limited	Unknown
Partners Finance & Lease Limited	88,415.16
Boq Equipment Finance Limited	Unknown
Porter Access Hire Limited	Nil
Porter Cranes Limited	Nil
Porter Equipment Limited	Nil
Porter Finance Limited	Nil
Porter Haulage Limited	Nil
Porter Hire Limited	Nil
Porter Mechanical Limited	Nil
Porter Parts Limited	Nil
Porter Properties Limited	Nil
Kusabs Building Supplies Limited	Unknown
Tunnell Tyres And Garage Limited	Unknown
TR Group Limited	606,251.72
Machinery Specialists Limited	14,174.10
Total Secured Creditors	Unknown

Preferential Creditors

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

We are aware that there are 19 former staff with claims for unpaid wages and holiday pay for the total amount of \$81,092.53. We have distributed towards this claim for the amount totalling 100 cents in the dollar and this is reflected in the Receipts & Payments.

Unsecured Creditors

It is too early to determine whether there will 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.

Receipts & Payments

We attach as **Appendix 2** a list of receipts and payments to 28 March 2020.

Information Provided by the Company

The directors of the company have not co-operated in making available the information required by the receivers to complete this report.



Thomas Lee Rodewald
Receiver



Kieran Jones
Receiver

Appendix 1

**Statement of Assets & Liabilities for Core Infrastructure Limited (In Receivership)
as at 20th January 2020**

	Estimated Return Value
<u>ASSETS</u>	
Cash on Hand	Nil
Accounts Receivable	338,613.86
Work in Progress	Unknown
Stock on Hand	Unknown
Fixed Assets	Unknown
Total Assets	Unknown
<u>LIABILITIES</u>	
CHARGE HOLDERS	
General Security Agreements	885,144.87
Specific Security Agreements	Unknown
PREFERENTIAL CREDITORS	
Employees	81,092.53
Inland Revenue Department	Unknown
UNSECURED CREDITORS	
Non-PPSR Charge Holders	Unknown
Inland Revenue Department	Unknown
Total Liabilities	Unknown
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.

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

Core Infrastructure Limited (In Receivership)

Receipts and Payments from 20 January 2020 to 28 March 2020

GST exclusive

Receipts

Pre Appointment Debtors – No GST	20,901.25	
Pre Appointment Debtors – GST	372,811.83	
Interest Received	14.32	
GST on income	<u>55,921.78</u>	
		<u>449,649.18</u>

Payments

Insurance	907.64	
Wages & Salaries	1,203.96	
Receivers Fees	61,527.20	
Legal Fees	16,126.79	
RWT on Interest	4.01	
Preferential payment - Staff	81,092.53	
GST on Expenses	11,784.25	
GST Paid/Refunded	<u>41,440.27</u>	
		<u>214,086.65</u>
Net Funds		<u>\$ 235,562.53</u>