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Receiver's First Report on the State of Affairs of Hudson Auto Repairs Limited (In Receivership) and (In Liquidation) 'the company' as at 14 December 2019 and 18 December 2019

Thomas Lee Rodewald was appointed as Receiver and Manager of the above company on 14 December 2019 under the powers contained in a general security agreement dated 2 October 2018 which property consists of all present and after acquired personal property by Asset Finance Limited.

Subsequently on 18 December 2019 Thomas Lee Rodewald was appointed Receiver and Manager of the above company under the powers contained in a general security agreement dated 17 September 2019 which property consists of all present and after acquired personal property by Fishers Professional Limited.

Also please note on 14 December 2019 Thomas Lee Rodewald was appointed Receiver and Manager of Neil Frederick Hudson by Asset Finance Limited. On 17 February, utilising our control of the shares in the company, Stephen Khov and Kieran Jones were appointed liquidators of the company.

Also please note on 18 December 2019 Thomas Lee Rodewald was appointed Receiver and Manager of a related party being BOP Corporate and Commercial Auto Leasing Limited.

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. Please note this report covers both appointments to the company.

Disclaimer

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Events Leading up to Our Appointment

Following discussion with staff at Asset Finance Limited by the company director, they became concerned over the status of 3 vehicles they had charges over and resolved to appoint a Receiver to protect their position.

Trading On/Closure of Business

The company operated a vehicle repair business coupled with a small car leasing operation. The company was allowed to continue to trade in a limited capacity to give the director an opportunity to refinance. Once it became clear this was not possible, the business ceased to trade and all assets and stock were sold by way of auction on 31 January 2020.

Debtors

Due to the poor state of the company records, it has proved impossible to quantify the true debtors position. Some minor amounts have been collected to date.

Amounts Owing to the General Security Agreement Holders

Asset Finance Limited \$55,458. The second charge holder Fisher Professional Limited is owed approximately \$120,000 by the company, BOP Corporate And Commercial Auto Leasing Limited in (Receivership and In liquidation) and Neil Hudson (In Receivership) as a group.

Specific Security Creditors

ASB Bank	55,458
Heartland Bank	Unknown
Capricorn Society Limited	14,584
Farmlands Finance Limited	Unknown
Motor Trade Finance T/A Glen Strang Limited	21,135
UDC Finance Limited	149,310
Leasing & Finance Limited Partnership	60,163
Orix New Zealand Ltd	65,495
Fleet Partners (NZ) Trust Ltd	Unknown

A number of charge holders have possession of vehicles they have yet to realise. Vehicles have been sold on behalf of ASB and Capricorn

Vehicles

A number of vehicles were on lease. A number of vehicles were in the possession of well known gang members. Some vehicles have been sold prior to receivership and proceeds not paid to charge holders.

Preferential Creditors

Employees

An employment relations claim had been filed. This has now been settled. Total wages and holiday owing to staff is approximately \$6,000.

Inland Revenue Department

Not all returns have been filed to date. The IRD has filed a preferential claim of \$94,813.28 this is understated.

Unsecured Creditors

No complete list of unsecured creditors is available. It is clear there will be no recovery for unsecured creditors.

Assets & Liabilities of the Company

We are unable to provide an estimate of the financial position due to the poor state of the company records. It is however; clear that the net deficit will exceed \$500,000 based on our understanding of likely realisations to be received from the sale of company vehicles.

Assets include vehicles, plant and equipment, stock and a sum of money held in a lawyers trust account – ownership of which is yet to be clarified.

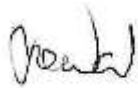
Liabilities include secured, preferential and unsecured creditors as noted above.

Receipts & Payments

We attach as **Appendix 1** a list of receipts and payments to 19 February 2020.

Director Conduct

An initial investigation into the conduct of the director has taken place. As a result this file has been referred to the authorities with a recommendation that full investigation be undertaken. We will also be discussing our concerns with the appointed Liquidators early in March 2020.



Thomas Lee Rodewald
Receiver and Manager

Appendix 1

**Hudson Auto Repairs Limited (In Receivership and In Liquidation)
Receiver's Summary of Receipts and Payments
to 19 February 2020**

RECEIPTS	\$
Trading Sales	2,785.52
Pre Appointment Debtors - GST	588.07
Sale of Stock	2,745.00
Sale of Vehicles	16,521.74
Other Assets	28,650.00
Sale of Business - No GST	5,000.00
GST on Income	7,693.55
	<hr/>
	\$63,983.88
PAYMENTS	
Security Costs	1,573.00
Insurance	2,036.10
Lease Payments	3,002.13
Sundry Expenses - Receivership	2,924.18
Contractor Wages/Payments	2,185.22
Sundry Expenses Receivership - NO GST	1,380.00
Auction Fees & Expenses	6,085.65
Computer Expenses	230.00
Secured Creditor - No GST	10,946.73
GST on Expenses	2,705.44
	<hr/>
	\$33,068.45
Balances in Hand	\$30,915.43

**In the Matter of the Receivership of Hudson Auto Repairs Limited
Under the Receivership Act 1993**

Confirmation of Amount Owing

Name of creditor *(in full)* _____

Email address of creditor _____

Postal address of creditor *(in full)* _____

Type of goods or services supplied _____

I, _____

State:

1 That the company was at the date of the commencement of the receivership namely the day of 20..., indebted to the above named creditor for the sum of \$..... (.....) *(figures and words)*

2 That this debt is not a preferential claim under the Receiverships Act 1993.

or (delete as applicable)

That the whole of or part of the above amount is a preferential claim under the Receivership Act 1993 for:

Amount preferred \$

3 That security for the payment of the whole or any part of the above amount is not held.

or (delete as applicable)

That the following security is held for the payment of the whole or part of the above amount.

Type of security:

Date security given:

Property secured:

4 That particulars of the accounts are attached hereto or set out on the reverse side of this form.

Signed _____ Date _____

<p>Please return this form to: Rodewald Consulting Limited PO Box 15543, Tauranga 3144 @rodewaldconsulting.co.nz</p>

Reserved for use of Receiver

Received
(Date stamp)

Accepted for \$ _____
To rank as ordinary/preferential/secured claim

Date _____

Particulars of Account

Date

Goods or services supplied

Amount

Vouchers
