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Receivers Second Report on the State of Affairs Core Infrastructure Limited (In Receivership & Liquidation) 'the company' as at 24 September 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 second report on the state of the affairs of the above named company as required by section 24 of the Receivership Act 1993.

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Background to Receivership Appointment

The Company operated as a quarry in the supply of quarry rock to the Transmission Gully project. The Company was involved in a dispute with its major customer, Transmission Gully Joint Venture, prior to our appointment as receivers. Further details about this dispute are contained in the Receivers First Report.

Debtors

The Receivers have collected outstanding debtors totalling \$393,713.08 during the period of this report. The Receivers are aware of a further two large debtors which are being handled by the Liquidators. The Receivers understand one of the debtors has disputed that the debt is due and payable.

Shareholder Current Account

The Receivers had commenced legal proceedings against the shareholder of the Company to firstly freeze their bank account which was used to transact on behalf of the Company. But secondly, to recover an overdrawn shareholder current account.

The shareholder filed a statement of defence in the proceeding which put into evidence the Company's accounting software package which was unrecovered by the receivers. The receivers were required to forensically examine the contents of the accounting software to determine its accuracy and produced evidence to the High Court in support of the current account proceeding.

On 20 August 2020, the High Court heard the claim with judgement in favour of the Receivers granted on 21 August 2020. The value of the judgement debt is \$500,338.81.

On 8 September 2020, the High Court also awarded the Receivers legal costs totalling \$29,036.80.

The Receivers are currently taking steps to enforce the judgement against the shareholder. There remains a freezing in place over the shareholder's bank account while the enforcement action is completed.

Assets

The receivers have completed the sale process of the assets removed from the quarry. The sale generated proceeds of \$106,563.40 + GST. The Receivers made a payment to a PMSI secured creditor to facilitate the release of their charge over some of the assets sold by the Receivers.

With the result of the auction sale now known we are in a position to confirm that after analysis of the relevant fund silos from the receivership, funds of \$22,605.12 are available to distribute to our appointor in partial repayment of its secured debt.

To arrive at the amount available to the GSA holder, the receivers undertook an apportionment of their time and costs into two asset class silo: Debtors and GSA assets.

This analysis produced the following cost allocation:

RECEIVERS COST ALLOCATION	
Asset Silo	Receivers Cost Allocation (\$)
GSA Assets	38,644.86
Debtors	74,735.23
Total Receivers Costs	113,380.09*

*this amount equals the balance as shown in the receivers' receipts and payments.

The receivers then calculated the GSA asset proceeds available to the GSA Holder and deducted the above receivers cost relating to GSA Assets to arrive at the funds available to distribute.

GSA DISTRIBUTION CALCULATION		
GSA Asset Proceeds Available		106,563.00
Less Costs Attributable:		
Storage	100.00	
Insurance	907.64	
Transport	14,433.35	
Contractor Expenses	2,911.49	
Auction Expenses	26,960.54	

Subtotal Costs		45,313.02
Net Proceeds Available to GSA		61,249.98
Less Receivers Costs (GSA)		38,644.86
Proceeds Available For Distribution		22,605.12

We intend on making a distribution of \$20,000 to our appointor, Equipment Transport Leasing Limited, from these available proceeds.

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 Commissioner of Inland Revenue has submitted a claim to the receivership for a total debt of \$296,923.47 of which \$239,983.82 is a preferential claim for unpaid GST and PAYE.

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.

We have made two payments of \$10,000 to the liquidators in partial discharge of preferential claims on 1 April 2020 and 23 September 2020 respectively.

Unsecured Creditors

It does not appear likely that 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.

Receipts & Payments

We attach as **Appendix 1** a list of receipts and payments from 20 January 2020 to 24 September 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**Core Infrastructure Limited (In Liquidation) and (In Receivership)
Receivers' Summary of Receipts and Payments
To 24 September 2020**

RECEIPTS	Total (NZD)
Pre Appointment Debtors - No GST	20,901.25
Pre Appointment Debtors - GST	372,811.83
Sale of Assets	106,563.00
Interest Received	117.10
GST on Income	71,906.23
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	\$572,299.41
 PAYMENTS	
Storage & Removal Costs	100.00
Advertising	1,310.00
Insurance	907.64
Accounting / Professional Fees	360.00
Transport Expenses	14,433.35
Wages & Salaries	1,203.96
Contractor Wages/Payments	2,911.49
Auction Fees & Expenses	26,960.54
Legal Fees	38,701.25
Receivers Fees	113,380.09
RWT	32.79
Preferential Payment - Staff	81,092.53
Preferential Payment - Liquidator	20,000.00
GSA Holder Payment	4,874.68
GST on Expenses	29,859.66
GST Paid/Refunded	52,459.48
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	\$388,587.46
Balances in Hand	\$183,711.95

Remuneration Report

This report is prepared in accordance with the RITANZ Code of Professional Conduct.

Company Name	Core Infrastructure Limited (In Receivership & Liquidation)
Date	24 September 2020

Time Costs (by position and work type)

	Hourly Rate	Asset Realisation		Creditors		Administration		Investigation		Reporting		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Receiver (Snr)	375	12	4,313	4	1,343	27	9,983	29	10,913	2	893	73	27,443
Receiver (Jr)	300	36	10,748	21	6,338	0	0	109	32,840	5	1,613	172	51,538
Senior Manager	230	39	8,899	6	1,398	10	2,376	18	4,093	0	0	73	16,766
Support Staff	160	2	288	15	2,368	52	8,242	39	6,224	3	512	110	17,634
Total		88	24,247	46	11,446	88	20,600	195	54,070	11	3,017	428	113,380

Disbursements

Disbursement	Cost
Advertising	1,310.00
General Expenses	1,206.50
Total	2,516.50

Detail of Work Completed

Asset Realisation	Secure assets, engage auction house to realise assets, engage lawyers to deal with security issues, deal with parties interested in sale
Creditors	Received creditors claim forms, adjudicate claims, process distributions, liaise with creditors, compile and review information received
General Administration	Tax filing obligations, administration of liquidation (commencement/finalisation processes), trust account reconciliations
Investigation	Reviewing financial records of the Company, quantifying current account, legal proceedings to obtain judgement debt, forensic analysis
Reporting	Attending to statutory reporting obligations and report to GSA holder