

Receivers' Six-Monthly Report
Section 24(1) of the Receiverships Act 1993

TARANAKI EQUIPMENT DISTRIBUTORS (2006) LIMITED
(IN RECEIVERSHIP)
Company No. 1603360

Introduction

On 5 September 2016 at 12:00pm, Jessica Kellow and Iain Shephard were appointed receivers of Taranaki Equipment Distributors (2006) Limited (now In Receivership), pursuant to a General Security Agreement dated 11 April 2012.

This report should be read in conjunction with the receivers' previous report.

Background

Taranaki Equipment Distributors (2006) Limited (in Receivership) ("the Company") was incorporated in March 2005 and operated a cleaning and hospitality retail business in New Plymouth. On 11 April 2012, the Company signed a General Security Agreement with Working Capital Solutions Holdings Limited ("WCSH").

On 22 December 2015, WCSH entered into a deed of assignment, under which WCSH agreed to assign receivables of WCSH to Working Capital Solutions (NZ) Limited ("WCNZ"). WCNZ changed its name to Old LGH Limited ("the Secured Party"). On 4 August 2016, receivers were appointed to the Secured Party and the receivers of the Secured Party sought to recover the amounts owing from the Company.

On 5 September, Iain Shephard and Jessica Kellow were appointed receivers of the Company.

Actions of Receivers

All statutory advertising and advice to the Companies Office has been completed.

The receivers have corresponded with the Company's accountants and have been furnished with copies of the Company's latest financial statements. The receivers have corresponded with banking institutions, Inland Revenue, the Accident Compensation Corporation and reviewed all the information received.

The receivers were provided with a copy of an agreement for sale and purchase of the business entered into by the Company prior to the appointment of receivers. Following a review of this agreement, the receivers discovered a clause whereby the purchaser would pay commission to the vendor, the Company, on all sales to clients on a list provided by the vendor from the date of the agreement until January 2017.

The receivers have corresponded with both the Company's director and the purchaser to ascertain whether such payments have been made. No such payments have been received to date. The receivers will continue to investigate this in an attempt to recover any amounts payable to the Company.

The General Security Agreement under which the receivers were appointed granted the lender the ability to appoint receivers to the Company's guarantors. Jessica Kellow and Iain Shephard were appointed receivers to the guarantors on 5 September 2016.

The receivers have corresponded with the guarantors requiring them to complete a statements of assets and liabilities in order to ascertain whether they will be in a position to repay the amounts owing. The guarantors have indicated that they will be applying to be adjudged bankrupt. As the guarantors are yet to be adjudged, the receivers await information regarding the guarantors' personal financial situation.

Realisation of Assets

As detailed above, the receivers are continuing their attempts to realise potential amounts payable to the Company.

Creditors

Secured Creditors

The Secured Party holds a General Security Agreement over the assets of the Company. The Secured Party, pursuant to the General Security Agreement, is owed \$53,094 as at the date of the receivers' appointment.

Preferential Creditors

The receivers have received one preferential claim from Inland Revenue, totaling \$30,706.94

Unsecured Creditors

The receivers have received two claims from unsecured creditors totaling \$248,302.04. This amount includes a claim from the liquidators of Ezee-Clean Taranaki Limited (In Liquidation) for a loan made by Ezee-Clean Taranaki Limited (In Liquidation) to the Company as well as further payments, totaling \$233,371.00

Prospect of a distribution to creditors

The receivers are unable to comment on the likelihood of a distribution to the preferential and secured creditors at this stage as this depends on the recovery of the amounts payable to the Company.

At this stage, due to the amounts owing to the preferential and secured creditors, it is unlikely that the receivers will be in a position to make a payment to unsecured creditors.

Receipts and Payments

No funds have been remitted during the course of the receivership.

Estimated Date of Completion

It is not practical to estimate the date of completion at this time.

Contact Details

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JESSICA KELLOW
Receiver

Dated 4 April 2017