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Pacific Pine Industries Limited (In Receivership)
("the Company")

Company number: 460603

Receivers' Second Report on the State of Affairs

Pursuant to Section 24 of the Receiverships Act 1993

DATE: 9 September 2020

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1. Introduction

Kenneth Peter Brown and Paul Thomas Manning were appointed Jointly and Severally as Receivers and Managers of the above company on 9 January 2020 by LG Family Nominees Limited, under the powers contained in a general security agreement dated 24 June 2011 which created a security interest in, and charged and mortgaged all the assets referred to in the Security Document.

This report should be read in conjunction with our previous report.

2. Restrictions

This report has been prepared by us in accordance with and for the purposes of Section 24 of the Receiverships Act 1993. It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the Receivership.

All information contained in this report is provided in accordance with Sections 26 and 27 of the Receiverships Act 1993. In compiling this report we have relied upon and not independently verified or audited information or explanations provided to us.

We reserve the right (but will be under no obligation) to review this report and if we consider it necessary to revise the report in the light of any information existing at the date of this report which becomes known to us after that date.

Certain information can be withheld by the Receivers if inclusion would materially prejudice the exercise of the Receivers' functions.

3. Property disposed of since date of our previous report

All assets including the land and buildings have now been sold. Covid-19 delayed the sale which eventually settled on 26 June 2020.

Accounts receivable have continued to be collected. All stock on hand was sold prior to the settlement of the property sale. Most customers have now paid however there is \$126,000 remaining that the Receivers are working to collect.

4. Particulars of debts and liabilities outstanding

Secured Creditors

At the commencement of the receivership the amount owed to the appointing creditor, being LG Family Nominees Limited was \$ 3,000,766.

An amount of \$600,153 has been distributed to the General Security Holder to date.

Preferential creditors

Employees

All employee preferential claims have been paid.

Inland Revenue

The claim that IRD had filed has been withdrawn as they were holding a large pre-paid GST credit which has now been applied to the debt. We await advice if the balance of these funds can be repaid to the receivers.

Unsecured creditors

A Creditors compromise proposal was distributed to all known creditors and a meeting was held in Putaruru on 26 August 2020. The proposal was unanimously agreed, and a distribution will be made shortly.

6. Summary of receipts and payments

We attach as *Appendix 1* a Summary of Receipts and Payments for the Company for the period ended 9 July 2020.

7. Contact Information

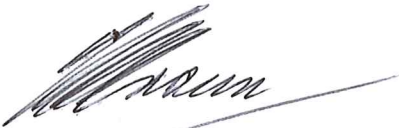
If you require any further information, please direct enquiries to:

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Email: denise.cooper@bdo.co.nz

BDO Tauranga Limited
PO Box 15660
TAURANGA 3144

Level 1
525 Cameron Road
TAURANGA 3110

Dated this 9 September 2020



Kenneth Peter Brown
Receiver and Manager

APPENDICES

Appendix 1 - Receipts and Payments as at

Receiver and Managers' Summary of Receipts and Payments	
9 January 2020 to 9 July 2020	
RECEIPTS	Total (NZD)
Cash on Hand / Float	903.00
Debtors and Sale of Stock	4,962,338.18
Funds on Hand Pre Receivership	340,000.00
GST on Income	310.43
Interest Received	2,949.92
Rates Received on Sale	159.40
Sale - Land, Buildings & Plant	2,450,000.00
Sale of Motor Vehicles	500.00
Sale of Office Equipment	1,569.57
	7,758,730.50
PAYMENTS	
Advertising	608.16
Cleaning / Waste Services	1,850.91
Commission on Sale of Assets	69,350.00
Computer Expenses	8,942.57
Consultancy	24,449.57
Contractor Payments	88,683.32
Electricity / Gas	68,466.97
FBT	2,755.52
GST on Expenses	161,482.37
GST Paid/Refunded	278,052.06
Health and Safety Expenses	507.99
Insurance	71,298.68
International Freight	70,980.21
Lease Payments	8,199.22
Legal Fees and Settlement	429,603.81
PAYE	160,111.03
Postage / Courier Fees	192.66
Preferential Employee Entitlements	364,884.41
Printing & Stationery	208.00
Rates	6,341.84
Receivers Fees	153,644.95
Rent Paid	7,795.45
Repairs & Maintenance	21,858.68
RWT	825.98
Sales & Marketing Expenses	11,561.53
Salvage Payment	6,645.55
Secured Creditor Payments	600,153.20
Security Costs	904.83
Storage	300.00
Telephone & Fax	5,105.42
Trading Expenses - Receivership	112,121.98
Transport	98,274.43
Valuation Fees	12,600.00
Vehicle Expenses	1197.15
Wages & Salaries	94,523.98
	2,944,482.43
Balances in Hand	4,814,248.07
	7,758,730.50