



Riteway Rigging & Scaffolding Limited (In Receivership)
("the Company")

Company number: 616678
NZBN: 9429038745904

Receivers' First Report on the State of Affairs

Pursuant to Section 23 of the Receiverships Act 1993

DATE 9 November 2020



1. Introduction

Kenneth Peter Brown, IP10 and Paul Thomas Manning, IP39, both Chartered Accountants and Licensed Insolvency Practitioners, were appointed joint and several receivers and managers (“Receivers”) of Riteway Rigging & Scaffolding Limited (In Receivership) (“the Company”) on 28 September 2020 at 8am under the powers contained in a General Security Agreement and Term Loan Agreement dated 7 August 2020 which property consists of all present and after-acquired personal property and a mortgage over all other property (including land), together defined in the security agreement as the collateral.

2. Restrictions

This report has been prepared by us in accordance with and for the purposes of Section 23 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. Events leading to our appointment

The Company has been trading for many years from premises on the Norske Skog Tasman site in Kawerau. The Director has attempted to keep all staff employed but has traded at a loss for some time. Advice was sought and the GSA holder invested funds, however a decision was eventually made that Receivers should be appointed and the business sold, if possible as a going concern.

4. Steps taken since our appointment

The Receivers have undertaken the following since their appointment:

- Determined that continuing to trade the Company whilst a sale of the business as a going concern was sought provided the best chance of maximising recoveries for creditors;
- Gained the support of key staff, customers and suppliers to ensure continued trading;
- Implemented a restructure to help ensure trading cash flows are positive;
- Arranged for an inventory and valuation of the Company’s fixed assets;
- Undertaken a sale process of the Company’s business;
- Assessed the Personal Property Securities Register (“PPSR”) claims from suppliers;
- Reported to the appointing GSA holder;
- Liaised with employees and other stakeholders including unsecured creditors and Inland Revenue;

- Taken legal advice on a range of issues;
- Dealt with finance and leasing matters;
- Undertaken a collection process for accounts receivable balances; and
- Fulfilled our statutory obligations set out in the Receiverships Act 1993.

5. Particulars of assets

The assets comprised of Plant and Equipment, Business Premises, Inventory and Goodwill, but for commercial reasons values for these have not been disclosed.

6. Property disposed of and any proposals for the disposal of property

The business was advertised in the New Zealand Herald. The Receivers negotiated with a number of interested parties. A sale of the business has been achieved with settlement taking place on 30 October 2020. The purchaser elected to continue trading from the premises and as part of the purchase took over some preferential and secured creditors.

7. Particulars of debts and liabilities currently outstanding and requiring to be satisfied from the property in receivership

Secured creditors

Monies due to the Bank of New Zealand the first General Security Agreement (GSA) holder either directly or through cross guarantees as at the date of receivership total \$546,150.00 plus accrued interest. The second GSA holder, Riteway Investments Limited were owed \$370,000.00 at the same date. Amounts due relate to loan advances.

Full particulars of securities registered against the Company's assets are attached at *Appendix 1*.

Preferential creditors

Employees

Preferential wages of \$50,201.83, holiday pay claims of \$287,761.68 and time in lieu claims of \$6,315.88 are owed to staff. Total preferential staff claims are \$344,279.39.

Inland Revenue

Inland Revenue have filed a preferential claim for \$494,326.41 with the Receivers, which covers the outstanding amounts as at 31 August 2020.

Unsecured creditors

The process of realising the Company's assets is not yet complete but due to the level of preferential and secured claims there will be no funds available for passing to the Director or a Liquidator for distribution to unsecured creditors.

8. Contact Information

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

Denise Cooper
Phone: 07 571 6280
Email: denise.cooper@bdo.co.nz

BDO Tauranga Limited
PO Box 15660
TAURANGA 3144

Level 1
525 Cameron Road
TAURANGA 3110

Dated this 9 November 2020



Kenneth Peter Brown
Receiver and Manager



Paul Thomas Manning
Receiver and Manager

Partners and staff acting as Receivers or Administrators do so as agents of the company without personal liability.

APPENDICES

Appendix 1 - Statement of Position

Statement of Affairs of		
Riteway Rigging & Scaffolding Limited (In Receivership)		
As at the date of the appointment of the Receivers		
being 28 September 2020		
	Note	
Assets		\$
Accounts receivable		338,946
Plant, Equipment & Vehicles	1	<i>Not Disclosed</i>
		338,946
Less Secured Creditors:		
Bank of New Zealand		546,150
UDC Finance Limited		<i>Discharged</i>
Fletcher Steel Limited		<i>Nil</i>
Waitomo Petroleum Limited		2,027
BOC Limited		70
Fuji Xerox Finance Limited		25,278
Farmlands Co-operative Society Limited		<i>Nil</i>
Sea Containers NZ Partnership		<i>Discharged</i>
Easy Access Company (1999) Limited)	
Safesmart Rentals Limited)	210,651
Safesmart Access Limited)	
Toyota Finance New Zealand Limited		73,958
Riteway Investment Limited		370,000
		1,228,134
Less Preferential Creditors		
Staff Wages, Holiday Pay & Time in Lieu (Gross)		344,279
Inland Revenue - GST, PAYE, KSR, SL, KSE		494,326
		838,605
Deficit before unsecured creditors		<i>Unknown</i>
Unsecured creditors		
Unsecured employee claims		211,165
Trade Creditors		97,358
Inland Revenue - Penalties & Interest		102,681
		411,204
Estimated Deficit (subject to costs of Receivership)		<i>Unknown</i>
<i>Note 1: The value of plant and equipment has not been disclosed as it is commercially sensitive, particularly since the business was sold as a going concern.</i>		
Disclaimer		
This statement should be read in conjunction with the disclaimer on page one of the above Receivers report and BDO Tauranga 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 the appointment of the Receivers.		

Appendix 2 - Securities registered on the PPSR

Date of Registration	Date of Renewal	Secured Party/Organisation Name	Collateral Description
01-May-2002	22-Feb-2017	BANK OF NEW ZEALAND	All Present and After Acquired Personal Property ;
19-Oct-2009	04-Oct-2019	WAITOMO PETROLEUM LIMITED	Goods - Other ;
10-Jul-2013	03-Jul-2018	BANK OF NEW ZEALAND	Goods - Motor Vehicles ;
31-Oct-2013	24-Oct-2018	BANK OF NEW ZEALAND	Goods - Motor Vehicles ;
05-Feb-2014	29-Jan-2019	BANK OF NEW ZEALAND	Goods - Motor Vehicles ;
03-Feb-2016		BOC LIMITED	Goods - Other ;
01-Apr-2016		FUJI XEROX FINANCE LTD	Goods - Other ;
17-Oct-2017		FARMLANDS CO-OPERATIVE SOCIETY LIMITEDFARMLANDS FINANCE LIMITED	All Present and After Acquired Personal Property ; Goods - Other ;
05-Dec-2017		FUJI XEROX FINANCE LTD	Goods - Other ;
22-May-2018		EASY ACCESS COMPANY (1999) LTDTRADESOURCE LTD	Goods - Other ; All Present and After Acquired Personal Property ;
21-Jun-2019		TOYOTA FINANCE NEW ZEALAND LTD	Goods - Motor Vehicles ;
17-Jul-2019		TOYOTA FINANCE NEW ZEALAND LTD	Goods - Motor Vehicles ;
10-Mar-2020		SAFESMART RENTALS LTD	All Present and After Acquired Personal Property ; Goods - Other ;
10-Mar-2020		SAFESMART ACCESS LTD	All Present and After Acquired Personal Property ; Goods - Other ;
06-Aug-2020		RITEWAY INVESTMENT LIMITED	Money ; All Present and After Acquired Personal Property ;

Appendix 3 - Receipts and Payments to 9 November 2020

Receiver and Managers' Summary of Receipts and Payments 28 September 2020 to 9 November 2020		
	Notes	
RECEIPTS		Total (NZD)
Accounts Receivable		289,640.95
Advances Received		50,319.85
Legal Settlement		629.52
Plant & Equipment	1	880,000.00
		<u>1,220,590.32</u>
PAYMENTS		
Accommodation - Alinta Turbine Shutdown		11,895.65
Bank Charges		78.60
Computer Expenses		782.61
GST on Expenses		2,773.28
Lease Payments		13,038.34
PAYE		57,716.57
Preferential Employee Entitlements		284,313.19
Receivers Fees	2	-
Salvage Payment		280.78
Secured Creditor		559,418.27
Trading Expenses - Receivership		2,361.71
Transport Costs		2,367.72
Valuation Fees		800.00
Wages & Salaries		240,805.07
		<u>1,176,631.79</u>
Balances in Hand		43,958.53
		<u>1,220,590.32</u>
<i>Note 1: This was net of secured and preferential debts taken over by the purchaser</i>		
<i>Note 2: These have not yet been paid but are in the vicinity of \$52,000</i>		