


**Functionmaster Hotels Limited (In Receivership)
("the Company")**

Company number: 6881313
NZBN: 9429046832580
BIC Code: H452000 Pubs, Taverns and Bars

Receivers' First & Final Report on the State of Affairs

Pursuant to Section 23 & 24 of the Receiverships Act 1993

15 March 2021 to 30 April 2021



1. Introduction

Thomas Lee Rodewald, IP49 and Paul Thomas Manning, IP39, both Chartered Accountants and Licensed Insolvency Practitioners, were appointed joint and several receivers and managers (“Receivers”) of Functionmaster Hotels Limited (In Receivership) (“the Company”) on 15 March 2021 by Matamata Guesthouse Limited (“GSA Holder”) under the terms of a General Security Agreement (“GSA”) dated 3 August 2018 giving the GSA Holder a security interest in all the Company’s present and after acquired property being all the Company’s personal property and all other property.

The business trades as The Horse & Jockey Inn and is based in Arawa Street, Matamata.

The receivership concluded on 30 April 2021 following consultation with our appointer.

2. Restrictions

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

The GSA Holder had issued a Notice of Default to the Company requiring the default be remedied by 12 February 2021. A Notice of Re-entry and cancellation of lease was issued by the Landlord on Monday 15 March 2021. The GSA Holder then appointed the Receivers.

4. Steps taken since our appointment

The Receivers have undertaken the following since their appointment:

- At the request of the GSA holder, the Receiver continued to trade the Company whilst the Landlord obtained a Liquor License to preserve the jobs of the staff employed on site;
- Gained the support of key staff and suppliers to ensure continued trading;
- Arranged for an inventory and valuation of the Company’s fixed assets;
- Assessed the Personal Property Securities Register (“PPSR”) claims from suppliers;
- Reported to the appointing creditor;
- Liaised with employees and other stakeholders including unsecured creditors and Inland Revenue;

- Taken legal advice on a range of issues; and
- Fulfilled our statutory obligations set out in the Receiverships Act 1993.

5. Particulars of assets

A Statement of affairs is attached as *Appendix 1*.

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

As the lease was terminated prior to the appointment of the Receivers the assets had little value. A valuation was arranged from Asset Valuations Limited and the assets were sold to the Landlord, as this was the only commercial option open to the Receivers.

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

Secured creditors

At the commencement of the receivership the amount owed to the appointing creditor, being Matamata Guesthouse Limited totals \$41,803.05. Amounts due relate to loan and interest secured by way of a GSA.

Full particulars of securities registered against the Company's assets are attached at *Appendix 2*.

Preferential creditors

Employees

Preferential wages of \$10,739.94, holiday pay claims of \$40,052.22 and time in lieu claims of \$11,012.37 are owed to staff. The total preferential staff claim is \$61,804.53.

Inland Revenue

Inland Revenue have yet to file claim with the Receivers, however a Statutory Demand was served on the Company on 31 March 2021 for \$841,790.70 in respect of Employer Taxes and GST. (*Note: This figure includes non-preferential penalties and interest.*)

Unsecured creditors

Due to the amounts owed to secured and preferential creditors there will not be funds available for unsecured creditors.

8. Summary of receipts and payments

We attach as *Appendix 3* a summary of Receipts and payments.

9. Contact Information

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

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

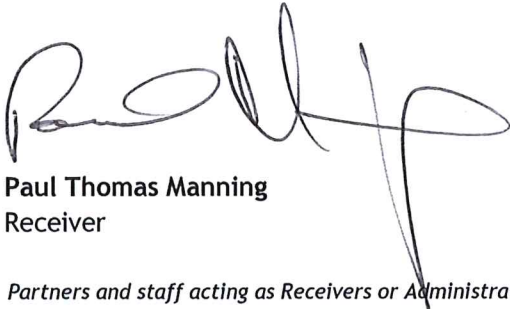
BDO Tauranga Limited
PO Box 15660
TAURANGA 3144

Level 1
525 Cameron Road
TAURANGA 3110

Dated this 30 April 2021



Thomas Lee Rodewald
Receiver



Paul Thomas Manning
Receiver

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

APPENDICES

Appendix 1 - Statement of Affairs as at the date of appointment

Assets	Notes	\$
Cash Funds on Hand		17,384
Cash Hopper Funds		2,904
Cash Gaming Machine Funds on Hand		4,000
Stock - Food		4,293
Stock - Bar	1	8,716
Plant & Equipment	1	47,600
		84,897
Less Secured Creditors:		
L & F Limited	2	2,655
The Lion Foundation 2008		807
Lion NZ Limited		12,054
William Chamberlain		225,000
Matamata Guesthouse Limited		41,803
07Wholesale Limited		3,578
Bidfood Limited		5,986
DB Breweries Limited		Nil
BSM Holdings Limited		Unknown
Coca-Cola Amatil (NZ) Limited		37,648
		329,530
Less Preferential Creditors		
Staff Wages, Holiday Pay & Time in Lieu (Gross)		61,805
Inland Revenue - PAYE, KSR, SL, KSE		314,582
Inland Revenue - GST		222,903
		599,289
Deficit before unsecured creditors		(843,923)
Unsecured creditors		
Unsecured employee claims		9,125
Trade Creditors		281,188
Inland Revenue - Penalties & Interest		338,200
		628,513
Estimated deficit (subject to costs of Receivership)		(1,472,436)
<i>Note 1 - Based on valuation prior to PMSI claims</i>		
<i>Note 2 - This charge relates to the Directors previous business</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	Secured Party/Organisation Name	Collateral Description
14-Jun-2018	L & F LIMITED	Goods - Motor Vehicles ;
20-Jun-2018	L & F LIMITED	Goods - Other ;
06-Aug-2018	THE LION FOUNDATION 2008	Goods - Other ; Money ; All Present and After Acquired Personal Property ;
09-Aug-2018	William Nelson CHAMBERLAIN	All Present and After Acquired Personal Property ;
10-Aug-2018	LION NZ LIMITED	Goods - Other ; All Present and After Acquired Personal Property ;
13-Aug-2018	MATAMATA GUESTHOUSE LIMITED	All Present and After Acquired Personal Property ;
23-Aug-2019	MATAMATA GUESTHOUSE LIMITED	All Present and After Acquired Personal Property ;
03-Sep-2019	07WHOLESALE LIMITED	Goods - Other ;
16-Sep-2019	BIDFOOD LTD	All Present and After Acquired Personal Property ;
02-Oct-2019	DB BREWERIES LIMITED	Goods - Other ; All Present and After Acquired Personal Property ;

Appendix 3 - Receipts and Payments to 30 April 2021

Receivers' Summary of Receipts and Payments	
15 March 2021 to 30 April 2021	
RECEIPTS	Total (NZD)
Cash in Hand / Float	20,882.77
Gaming Machine Takings	1,535.07
GST on Income	13,200.76
GST Paid/Refunded	2,621.44
Lion Foundation - site rental	4,650.49
Sale of Plant & Equipment	45,450.00
Sale of Stock	12,850.59
Refunds	150.00
Trading Sales	24,903.81
	126,244.93
PAYMENTS	
ACC	148.43
Advertising	515.75
Bank Charges	369.50
Cleaning / Waste Services	278.26
Commission - Booking.com	834.84
Computer Expenses	46.00
GSA Holder Payment	28,000.00
GST on Expenses	6,386.63
Insurance	706.00
PAYE	7,900.73
Preferential Employee Entitlements	23,067.65
Printing & Stationery	150.00
Receivers Fees	24,515.48
Secured Creditor - payment for stock on site	2,929.35
Security Costs	442.41
Storage	200.00
Telephone	367.37
Trading Expenses - Receivership	10,726.56
Valuation Fees	1,400.00
Wages & Salaries	17,259.97
	126,244.93

Appendix 4 - Remuneration Report

		Time Costs (by position and work type)																			
	Hourly Rate	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Receiver	400	0.50	200.01	2.51	1,000.01	3.33	1,333.32	0.97	386.67	1.57	626.67	0.42	166.67	9.30	3,713.35						
Receiver (Consultant)	375	0.75	281.25	6.33	2,327.50			0.25	93.75	3.08	1,156.25	0.33	125.00	10.74	3,983.75						
Senior Manager	185	1.67	308.34	27.67	5,118.33	12.58	2,327.91	21.75	4,023.72	27.67	5,118.32	5.67	1,048.33	97.01	17,944.95						
Support Staff	105-145			11.66	1,378.32	0.17	17.50	3.66	458.33					15.49	1,854.15						
Less Write offs					- 2,980.72										- 2,980.72						
Total		2.92	789.60	48.17	6,843.44	16.08	3,678.73	26.63	4,962.47	32.32	6,901.24	6.42	1,340.00	132.54	24,515.48						
Disbursements																					
Disbursement																					
Advertising																					
General Expenses																					
Total																					
	Cost																				
	515.75																				
	450.00																				
	965.75																				