

2 September 2009

**G.P. LOGISTICS LIMITED (IN RECEIVERSHIP)**

**Receivers' First Report on the State of Affairs**

**Pursuant to Section 23 of the  
Receiverships Act 1993**

**Company Number 1856632**

**Introduction**

Kevin David Pitfield and Gareth Russel Hoole were appointed joint receivers of G.P. Logistics Limited (In Receivership) ("the Company") by Working Capital Solutions Limited ("WCSL") on the 27<sup>th</sup> of May 2009 under the powers contained within a General Security Agreement dated 17 April 2009.

This report has been prepared by the receivers in accordance with and for the purpose of Section 23 of the Receiverships Act 1993.

**Restrictions and Disclaimers**

The report 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.

In compiling this report the receivers have relied on the accuracy of all relevant information provided by the management of the Company. Whilst all care and attention has been taken in compiling this report, the receivers, Staples Rodway Limited, its employees and its agents do not accept any liability whatsoever arising from this report.

This report is not intended for general circulation and all information contained in it is for the confidential use of the parties to whom it is provided in accordance with Sections 26 and 27 of the Receiverships Act 1993. This report is not to be disseminated or passed on to any other party without the receivers' prior written authority or as may be required by law.

The financial particulars included in this report have been prepared from the Company's records and information supplied to the receivers by the company and its director. In preparing the particulars the receivers have not carried out anything in the nature of an audit or other verification procedure.

The receivers reserve the right (but will be under no obligation) to review the contents of this report and, if considered necessary, to revise the report in light of any information which becomes known to the receivers at a subsequent date.

## **Events Leading To Appointment**

The shareholders of the Company are Christopher Shane Nelley (also known as Glenn Phillips) and Barbara Vivian Anderson. Those shareholders are also the directors of the Company.

The principal business of the Company was freight transport.

The Company was indebted to WCSL as a result of advances made to the Company under a factoring arrangement with WCSL. Those advances were secured by way of a perfected General Security Agreement over the Company registered on the Personal Property Securities Register.

After a disagreement between the directors/shareholders, the daily operations began to suffer which caused WCSL concern and ultimately resulted in a breach of the factoring agreement which led to the appointment of the receivers.

## **Particulars of the Assets Comprising the Property in Receivership**

The property in receivership comprised all of the assets and undertakings of the Company. At the date of the appointment of the receivers, those assets comprised of accounts receivables, all of which had been factored by WCSL, trucks, trailers, tools and equipment, cash at bank and a taxation receivable.

Some of these assets were charged by specific security interests and the receivers dealt with those assets on a case-by-case basis.

## **Particulars of Debt and Liabilities Currently Outstanding and Requiring to be Satisfied from the Property In Receivership**

Due to WCSL secured by a priority ranking General Security Agreement is a sum of \$52,448. Certain other parties had perfected Purchase Money Security Interests (“PMSI”) and had a ‘super priority’ over the GSA holder with respect to their security over specific assets and where applicable a short term rental agreement was arranged or the assets were returned.

There is a minimal balance due to the Inland Revenue Department and they will rank as preferential creditors pursuant to the Seventh Schedule of the Companies Act 1993 (‘the Act”).

Apart from creditors designated as preferential in terms of the Seventh Schedule of the Act and secured creditors referred to above, all other creditors of the company will rank as unsecured. The receivers have not determined the quantum of unsecured creditors. However, it is unlikely that there would be any funds available to the unsecured creditors given the level of secured debt measured against realisations.

The identity of creditors who have an interest in the property in receivership is set out below, pursuant to the provisions of section 23(1)(c) of the Receivership Act 1993.

<b>Class of Creditor</b>	<b>Name of Creditor</b>	<b>Nature of Claim</b>	<b>Due at Date of Appointment \$</b>
Secured Creditors	WCSL	First ranking GSA holder	52,448
	Mercedes-Benz Financial Services NZ Limited	PMSI – Trucks and Trailers	253,661
	Community Financial Services Limited	PMSI – Motor Vehicle	8,664
	Tait Communications Limited	PMSI - Radio Telephone Equipment	Nil
Preferential creditors pursuant to 7 <sup>th</sup> Schedule of the Companies Act 1993	Inland Revenue Department	GST	176
Unsecured creditors	Various	Goods and services supplied	Not known

### **Progress of the Receivership**

The receivers continued to trade on the business to maximise the potential for repayments to creditors, with a view to reaching a settlement between the directors/shareholders of the Company or alternatively to facilitate the sale of the business as a going concern.

Attempts to reach settlement between the directors/shareholders were futile and the receivers had little alternative but to sell the business as a going concern.

The business was sold to Revolution Freight Limited (“Revolution”). At the time of sale, the assets of the business were encumbered by various secured charges in respect of which the amounts owing to chargeholders exceeded the fair market value. In consideration for the assets of the business, Revolution assumed the obligations to secured creditors related to those assets, together with certain obligations to WCSL.

## Statements of Realisations and Distributions In Respect of the Receivership

### The following realisations have been made:

Receivables Collected	45,628	
Revenues by Receivers	31,882	
Insurance Proceeds	1,293	
Taxation receipt	1,336	
Cash On Hand	162	
<b>Total Realisations</b>		<b>80,301</b>

### Less Disbursements to:

Receivers' Costs and Expenses		
<i>Receivers' Fees</i>	32,716	
<i>Daily Costs of Operation met by the Receivers</i>	17,793	
Total Receivers' Costs and Expenses	50,509	
Secured Creditors – First Ranking GSA Holder	24,092	
- PMSI Holder	5,700	
<b>Total Distributions made to date</b>		<b>(80,301)</b>
<b>Net realisations</b>		<b>Nil</b>

### Amounts Likely to be Available for Payments to Unsecured Creditors

The receivers do not believe there will be any funds available for the remaining creditors based on the information provided.



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Gareth Russel Hoole  
RECEIVER



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Kevin David Pitfield  
RECEIVER