



Attri and Sons Limited (In Receivership) (“the Company”)
t/a Paper Plus Otorohanga

Company number: 5937589

Receivers’ First Report on the State of Affairs

Pursuant to Section 23 of the Receiverships Act 1993

30 March 2020



1. Introduction

Paul Thomas Manning and Kenneth Peter Brown were appointed Jointly and Severally as Receivers and Managers of the above company on 23 January 2020 under the powers contained in a general security agreement dated 18 August 2016 which property consists of all present and after acquired personal property in accordance with a Franchise agreement dated 22 June 2016.

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 operates as a Paper Plus franchise and also a Sports World retail outlet, with both businesses operating through the Company. In the weeks leading up to the appointment, the Receivers were approached by a franchisor who hold a security interest. Discussions were held regarding the financial position of the company and the options available. Following these discussions and due to the company's financial position, a decision was made to appoint Receivers.

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 customers and suppliers to ensure continued trading;
- Undertaken a sale process for the Paper Plus franchise and 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;
- 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 Receivers were unable to obtain information regarding the book value of the assets from the director or financial records. Financial statements for the company do not include a Depreciation Schedule of fixed assets.

The Receivers have attempted to recover a company vehicle which is covered by a General Security Agreement. As yet this has not been recovered as the director is currently overseas.

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

The Paper Plus business was advertised for sale as a going concern and received nineteen interested enquiries. Of those, there were three parties who made a formal offer for the business. The three parties met with the Receivers and Paper Plus management and a sale was negotiated.

The Company also operated a Sportsworld retail store prior to our appointment. The Receivers continue to liaise with the relevant secured parties regarding realisation of assets from this part of the Company's operations.

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

Secured creditors

Monies due to Paper Plus New Zealand Limited at date of receivership total \$132,191. Amounts due relate to stock and levies.

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

Preferential creditors

Employees

There were two staff employed at the date of receivership with a total holiday pay preferential owing of \$8,559.39.

Inland Revenue

No formal proof has been received from the IRD at this time. The Receivers understand there is an outstanding GST amount of \$4,506 and PAYE of \$2,579.

Preferential claim balances are provisional pending agreement between the Receivers, employees and the IRD.

Unsecured creditors

The process of realising the Company's assets is not yet complete however it is unlikely there will be any funds available for unsecured creditors. The total amount due to unsecured creditors to date is \$7,000.

8. Assets & Liabilities of the Company

We attach as Appendix II a list of the assets and liabilities of the company at the date of appointment.

9. Receipts & Payments

We attach as Appendix III a list of receipts and payments to 20 March 2020.

10. Contact Information

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

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TAURANGA 3144

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525 Cameron Road
TAURANGA 3110

Dated this **30 March 2020**



Paul Thomas Manning
Receiver and Manager



Kenneth Peter Brown
Receiver and Manager

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

APPENDICES

Appendix 1 - Securities registered on the PPSR

Name	Address
Heartland Bank	75 Riccarton Road, Riccarton
New Zealand Post Limited	PO Box 204007, Highbrook, Auckland 2161
Paper Plus New Zealand Limited	PO Box 97063, Manukau City, Auckland 2241
New Zealand Lotteries Commission	PO Box 8929, Symonds Street, Auckland 1123
Kings Sports Stationery & Toys Limited	c/ Edmonds Judd, PO Box 35, Te Awamutu
New Balance New Zealand Limited	PO Box 8335, Symonds Street, Auckland
Kilwell Sports Limited	Private Bag 3033, Rotorua
Outdoor Sports New Zealand Limited	PO Box 100, Auckland 0745
Puma New Zealand Limited	111 Keys Road, Moorabbin, Australia
Shimano New Zealand Limited	79 Apollo Drive, Mairangi Bay, Auckland
Potton & Burton	PO Box 221, Nelson 7040
Sportco Limited	PO Box 25-240, Auckland 1740
GSM (NZ Operations) Limited	Unit A1, 63 Apollo Drive, Rosedale, Auckland 0632
Puma New Zealand Limited	111 Keys Road, Moorabbin, Melbourne

Appendix 2 - Statement of Affairs

		<i>Estimated to realise</i>
		\$
Assets		
Cash on Hand / Floats		5,070
Debtors		15,000
Fixtures & Fittings		<i>Not Disclosed</i>
Funds on Hand		5,070
Paper Plus Shares		24,000
Stock		<i>Not Disclosed</i>
		49,140
Less secured creditors:		
Heartland Bank		112,629
Paper Plus New Zealand Limited		132,191
New Zealand Post		20,968
New Zealand Lotteries Commission		<i>Nil</i>
Kings Sports Stationery & Toys Limited		53,000
New Balance New Zealand Limited		1,807
Kilwell Sports Limited		5,208
Outdoor Sports New Zealand Limited		4,633
Shimano New Zealand Limited		<i>Discharged</i>
Brittain Wynyard & Co Limited		<i>Unknown</i>
Sportco Limited		681
GSM (NZ Operations) Limited		<i>Unknown</i>
Potton & Burton Limited		<i>Discharged</i>
Puma New Zealand Limited		<i>Discharged</i>
		331,117
Deficit before preferential & unsecured creditors		Unknown
Preferential creditors:		
Staff - Holiday Pay & Wages		8,559
IRD - GST		4,500
IRD - PAYE		1,300
		14,359
Unsecured creditors:		
Trade Creditors		7,095
IRD - GST penalties & interest		8,206
		15,301
Estimated deficit (subject to costs of Receivership)		Unknown
<i>Disclaimer</i>		
<i>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.</i>		
<i>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.</i>		

Appendix 3 - Receipts and Payments to 30 March 2019

		Total (NZD)
RECEIPTS		
Cash in Hand / Float		5,069.83
Funds on Hand Pre Receivership		53,045.72
GST on Income		17,627.38
Pre Appointment Debtors		12,349.33
Sales		128,568.96
		<u>216,661.22</u>
PAYMENTS		
Accommodation		226.00
Advertising		1,797.00
Bank Charges		94.13
Cleaning / Waste Services		233.66
Contractor Payments		1,992.83
Electricity / Gas		1,295.19
GST on Expenses		25,300.86
GST Paid/Refunded		1,060.82
Legal Fees		9,040.41
Lotto Commission & Fees		93,469.44
Paper Plus Franchise Charges		3,301.99
PAYE		1,928.74
Printing & Stationery		200.00
Receivers Fees		27,439.15
Rent Paid		8,364.24
Secured Creditor - GST		59.10
Security Costs		373.73
Storage		300.00
Sundry Receipts		280.77
Telephone & Tolls		447.74
Trading Expenses - Receivership		16,915.24
Travelling Expenses		4,152.32
Wages & Salaries		12,662.52
		<u>210,935.88</u>
Balances in Hand		5,725.34
		<u>216,661.22</u>