

ELE Management Limited (In Receivership)

Company number: 2395673

NZBN: 9429031683852

Receivers' first report

Deloitte
Level 20
Deloitte Centre
1 Queen Street
AUCKLAND 1010

E: nzrecovery@deloitte.co.nz

W: www.deloitte.co.nz

On 20 December 2023 at 7:15am, David Webb and Robert Campbell, licensed insolvency practitioners (registration numbers: IP60 and IP145, respectively), were appointed joint and several receivers and managers (**Receivers**) of all present and after acquired personal property of ELE Management Limited (In Receivership) (**Company**) under the terms of a General Security Agreement (**GSA**) dated 7 April 2015 and 2 October 2015 in favour of the Bank of New Zealand (the **Bank**).

Receivers are required to be licensed insolvency practitioners (**LIPs**). More information about the regulation of insolvency practitioners is available from the Registrar of the Companies. As licensed insolvency practitioners, we are bound by the RITANZ Code of Professional Conduct when carrying out all professional work relating to our appointment.

Restrictions

This report has been prepared by us in accordance with and for the purpose of section 23 of the Receiverships Act 1993 (**Act**). 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 for the confidential use of the parties to which it is provided in accordance with sections 26 and 27 of the Act and is not to be disseminated or passed to any other person without written authority or in accordance with law.

In compiling this report, we have relied upon and not independently verified or audited information or explanations provided to us and we express no opinion on accuracy, completeness or reliability of the information or explanations.

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.

We do not accept any liability whatsoever arising from this report.

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

Events leading up to our appointment as Receivers

The Company was incorporated on 23 February 2010 and undertook the management function of the ELE Group of companies. The ELE Group of companies included three core trading entities:

- ELE Limited (In Receivership), which operated a labour hire business throughout New Zealand
- Tranzport Solutions Limited (In Receivership) which operated a nationwide transport and logistics business.
- ELE Security Limited (not in Receivership) which operated manned guarding and security training services.

Management of the Company identified the Group would experience a liquidity shortfall by the end of January 2024. Following unsuccessful attempts by Brent Mulholland, the Director of the ELE Group of companies (the **Director**), to obtain additional funding and/or a sale of the business, the Director requested the Bank to appoint Receivers. We were appointed Receivers over the various companies in the ELE Group on 20 December 2023 and the Company ceased to trade on that date.

Other companies over which we were appointed Receivers include;

- ELE Limited (In Receivership)
- ELE Holdings Limited (In Receivership)
- Tranzport Solutions Limited (In Receivership)
- RISQ New Zealand Limited (In Receivership)

Separate reports have been prepared for each of the above companies. The Receivers recommend that this report be read in conjunction with the other reports on the companies in the ELE Group, particularly ELE Limited (in Receivership).

Assets comprising the property in receivership

The Receivers' appointment is in respect of all present and after acquired property of the Company, including:

- motor vehicles
- fixed assets on site of the office premises.

Property disposed of to date and any proposals for the disposal of property

The Receivers, with the support of various ELE staff, have collected the motor vehicles belonging to the Company and these are currently being sold by auction and/or private treaty. There is currently one motor vehicle, recorded on the books and records of the Company as belonging to the ELE Group, that is yet to be returned. The ownership of this vehicle is subject to an ongoing legal dispute, with the next Court hearing scheduled for March 2024.

At the time of writing, the sale of vehicles remain ongoing, along with discussions with the landlord re the remaining fixed assets on site at the Group's head office. Further details, including values relating to those assets realised, will be provided in subsequent Receivers' reports.

Particulars of secured creditors/encumbrances

At the date of our appointment, the personal property security register (PPSR) recorded three creditors that had registered financing statements against the Company. Details of these creditors and their interests are summarised in the table below:

Secured party	Address	Collateral	Registration date
Bank of New Zealand	Level 2, 30 Mahuhu Crescent, Auckland 1010	All present and after acquired personal property	24 September 2015
Bank of New Zealand	Level 2, 30 Mahuhu Crescent, Auckland 1010	Goods – motor vehicles	25 March 2022
Mercedes-Benz Financial Services New Zealand Limited	Level 3, Office Tower, 277 Broadway, Newmarket, Auckland, 1023	Goods – motor vehicles Goods – other	29 April 2021
Monument Finance Ltd	Level 4, The Gallagher Centre, 100 Beaumont Street, Auckland, 1010	Intangibles	30 September 2019

Particulars of debts and liabilities requiring to be satisfied from the property in receivership

At the date of our appointment, the amount owed to secured creditors, is summarised in the table below:

Secured creditor	\$000
*Bank of New Zealand	0
Mercedes-Benz Financial Services New Zealand Limited	9
Total secured creditors	\$9

*It should be noted that ELE Management Limited is a guarantor, by way of cross guarantee, of the indebtedness of ELE Limited and other subsidiaries.

At the date of our appointment, the amount owed to preferential creditors is summarised in the table below:

Preferential creditor	\$000
Employee claims	511
Inland Revenue	71
Total preferential creditors	\$582

Unsecured creditors

The Receivers currently hold incomplete information on unsecured claims against the Company. An estimate of the level of unsecured creditors will be provided in future Receivers' reports.

Information provided by the Company

The Director of the Company has co-operated in making available the information required by the Receivers to complete this report.

Further information

Should you have any queries on the contents of this report please contact Louise Craig or Lily Choun.

Dated: 20th February 2024



David Webb
Receiver
Receiver and Manager
Personal liability excluded

Louise Craig
DDI: +64 4 470 3756
Email: lcraig@deloitte.co.nz

Lily Choun
DDI: +64 9 306 4431
Email: lchoun@deloitte.co.nz