

PUBLIC BANKRUPTCY REPORT
LEGAL ENTITY (PURSUANT TO SECTION 73A BANKRUPTCY ACT))

Re.:

Report number	9
Date report	04-03-2019
Insolvency number	F.10/16/675
Supervisory case number	NL:TZ:0000010131:F001
Date of ruling	27-12-2016
Bankruptcy judge	C. de Jong
Receiver	M. Windt LLM

General information

Company name

Fontijne Grotnes B.V.	31-05-2018
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Company details

Private limited company Fontijne Grotnes B.V., with its corporate domicile in Vlaardingen and having its (previous) office address at Industrieweg 21 in (3133 EE) Vlaardingen.	31-05-2018
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Company activities

According to the Chamber of Commerce statement: Manufacturing of other machines, appliances and tools for specific purposes.	31-05-2018
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In the Netherlands the Fontijne Grotnes Group consists of four affiliated entities, i.e. FG Worldwide B.V., Fontijne Ghyselinck B.V., Fontijne Grotnes Asia B.V. and Fontijne Grotnes B.V. With the exception of Fontijne Grotnes Asia B.V. all entities have been declared bankrupt. Fontijne Grotnes Asia B.V. is also likely to be declared bankrupt within the short term. The sole shareholder in Fontijne Grotnes B.V. (FG Worldwide B.V.) is also the holder of shares (indirectly in part) in entities in the United States, where a similar business is run at a smaller scale than in Vlaardingen. These entities have not been declared bankrupt and continue to be operational.

The business operations of the Group are aimed at the design, development, manufacture/composing and worldwide supply of various advanced machines for metal processing. Within Fontijne Grotnes Group there are/were five different business units, i.e. (i) Pipe Industry, (ii) Wheel production lines, (iii) Tire & wheel assembly line, (iv) Platen presses and (v) Canning cell & spinning.

The main actual / operational activities of these five business units that were developed from the Netherlands, were developed within Fontijne Grotnes B.V.. This is confirmed by the fact that (nearly) all employees active in the Netherlands were employed by Fontijne Grotnes B.V.

Financial details

Annual Turnover

2016	EUR	16,074,830.00
2015	EUR	22,338,491.00
2014	EUR	19,819,337.00

Explanation financial details

The curator underpins the fact that the information in this report, particularly the financial information, is subject to further investigation. At a later stage it may prove necessary to amend this information (to a considerable extent). The receiver does not vouch for the correctness of the data in this report, and the report mainly serves as a rough outline of the bankruptcies in question. The receiver rules out any liability for damages resulting from any incorrect or incomplete statements, particularly pointing to the fact that no rights may be derived from this information and that this information is not suited or meant for (the backing out of) any transaction or investment decision to be based on it, including a decision to procure or sell.	31-05-2018 6
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Average number of employees

75	31-05-2018 6
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Assets and effects

Assets and effects	31-05-2018
EUR 695,631.86	6
Assets and effects	03-12-2018
EUR 714,288.61	8

Assets and effects	04-03-2019
EUR 713,018.42	9

Reporting period

From:	31-05-2018
26-02-2018	6

Through:
29-05-2018

From:	30-08-2018
30-5-2018	7

Through:
27-08-2018

From:	03-12-2018
28-08-2018	8

Through:
27-11-2018

From:	04-03-2019
28-11-2018	9

Through:
03-03-2019

Hours spent

<i>Reporting period</i>	<i>Hours spent</i>
6	121,60 hours
7	100,30 hours
9	10,00 hours
Total	231,90 hours

Explanation hours spent

The total number of hours spent are 2,512.10	04-03-2019
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1. Inventory

1.1. Management and organization

1.2. Current proceedings

1.3. Insurance

The insurance term of the D&O policy August 18, 2018. Extension of the extended period was no longer possible. The receiver sent a (general) liability claim to various (former) directors and reported this fact to the insurance company.	30-08-2018 7
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1.4. Lease

1.5. Cause of the bankruptcy

During this reporting period, as before, the receiver, in consultation with the financial expert contracted by him, continued his research into the causes and lawfulness and in this context was in contact with various stakeholders, and also discussed the progress and findings with the financial expert. The receiver and the financial expert have drawn up a report on their initial findings, which they shared with the bankruptcy judge. The receiver intends to present (further) specific questions regarding his initial findings to the different parties involved in the short term.	31-05-2018 6
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In his research, the receiver not just looked at (possible) internal causes, but also at the external causes, e.g. market conditions, competition, price levels (for sales), as well as the drop in oil prices and the sanctions imposed by the EU. The receiver has also consulted a financial expert for the study of the accounts of Fontijne Grotnes B.V. and its parent company and affiliates and the influence of the aforementioned external causes on Fontijne Grotnes B.V. and its parent company and affiliates. This shows that the fall in oil prices from 2014 and the sanctions against Russia (may) have had an impact on the order book and the turnover of the pipe expander business unit, but this impact does not appear to be material, especially since in 2015 a (clear) increase in the order book and turnover was seen.	30-08-2018 7
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With this knowledge, careful (further) research was done into the internal facts and circumstances that could have been a cause of the bankruptcy of Fontijne Grotnes B.V. and its parent company and affiliates. The research is at an advanced stage, but has not been fully completed yet.

During the reporting period, the receiver continued his examinations and expects to be able to present his conclusions in the next reporting period.	12-03-2018 8
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A draft analysis has been made of the company's demise. This has not been sufficiently fleshed out yet to share with stakeholder. This will be reported in the next reporting period	04-03-2019
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2. Employees

- 2.1. Number at the time of the bankruptcy
- 2.2. Number in the year before the bankruptcy
- 2.3. Termination
- 2.4. Activities employees

3. Assets

- 3.1. Real estate, note with real estate
- 3.2. Activities real estate
- 3.3. Operating assets

Note operating assets

- 3.4. Priority right of seizure by the tax authorities of property found on the premises
- 3.5. Activities operating assets
- 3.6. Stock / Work in progress, Note stock / work in progress
- 3.7. Activities stock / work in progress
- 3.8. Further assets

Note further assets

<p>In connection with the acquisition of the assets related to the business unit 'Pipe Industry', there is a discussion with the Swiss company Haeusler AG from Duggingen about an additional payment on the purchase price in the amount of € 150,000. Partying are debating whether the conditions are met for the amount to be owed (in which Haeusler AG takes the position that this is not the case and that it has received too little in the context of the sale/purchase of the assets, as a result of which it would also have a claim on the estate on this ground, while the receiver takes the view that the conditions have been fulfilled and that there is no claim of Haeusler AG on the estate). A settlement has been reached between the parties implying that an amount of € 75,000 will be paid by Haeusler AG to the estate as a subsequent payment. The receiver is awaiting this payment.</p>	<p>30-08-2018 7</p>
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<p>The receiver has received the amount of EUR 75.000,- as a subsequent payment on the bankruptcy account. During the reporting period, Jingu was once again contacted about the unlocking of data connected to the business unit "Wheel Production Line" after all. Arrangements have been made in this context, which also cover the costs of the estate. The actual disclosure, which will be provided by third parties, is expected to take place in the short term.</p>	<p>03-12-2018 8</p>
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The receiver is awaiting the payment to the external parties involved/others (which parties must be paid in advance, as agreed) and the receipt of a statement from Jingu. After these to items have been settles, the actual disclosure can take place.	04-03-2019 9
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3.9. Activities other assets

The receiver has maintained further contact with the buyer of (among others) the intellectual property associated with the business unit 'Wheel Production Lines' during the recent period. As stated earlier, this buyer initially took the view that the receiver may not have fully complied with his delivery obligation under the purchase agreement. There has been some communication about this and this position appears to have been abandoned as a result of the receiver committing to provide the buyer with further information as per its request. The receiver is considering this request for further information; he also allows this to depend on the willingness of the buyer to grant the receiver discharge of the performance of the agreement and reimbursement of costs associated with the collection of the information. The receiver expects that he will reach an agreement on this point at the beginning of the next reporting period.	31-05-2018 6
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Research, contacts and negotiations with Haeusler AG. In addition, the receiver has had further contacts with (the lawyer) of Zhejiang Jingu Company Limited ("Jingu") regarding the sale of the assets related to the business unit "Wheel Production Line". Jingu previously took the view that the receiver had not fulfilled his obligations under the purchase agreement. The contacts have resulted in this position being abandoned. However, the receiver still is in contact about the possibility of disclosing data connected to the business unit	30-08-2018 7
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Contact with Jingu and other parties involved in the disclosure of the data in connection with the "Wheel Production Line".	03-12-2018 8
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Similar activities as during the previous reporting period.	04-03-2019 9
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4. Receivables

4.1. Receivables

<i>Description</i>	<i>Scope receiver</i>	<i>Returns percentage or amount paid to the receiver</i>	
	EUR 300,000.00	EUR 75,531.84	
Total	EUR 300,000.00	EUR 75,531.84	EUR 0.00

Explanation receivables

The total outstanding receivables balance amounts to approximately EUR 108,000 at the end of the reporting period.	31-05-2018 6
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During the reporting period, payments of in total EUR 22,568 were received from the debtors. To date, a total of EUR 74,352.09 has been received in the bankruptcy account and EUR 82,906.97 in the Rabobank account. Some of these collection proceeds are still to be settled with Rabobank; this will be incorporated in the financial report.

The receiver has made further arrangements with Rabobank regarding the follow-up process of the 'normal' receivables collection after the second collection letter. It has been agreed that the receiver will make further efforts with regard to the collection of the outstanding debts and the (possible resulting) further substantive discussion about this with the debtors. Furthermore, it has been agreed that the proceeds from these collection measures will be divided equally between Rabobank as pledgee and the estate.

So far, a total of EUR 75,531.84 has been received in the bankruptcy account and EUR 82,906.97 in the Rabobank account. Some of these collection proceeds are still to be settled with Rabobank; this will be incorporated in the financial report.	30-08-2018 7
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4.2. Activities receivables

Sending a third reminder to the debtors, as well as conducting the resulting substantive discussion(s) with debtors. Contacts with Rabobank regarding the collection of the outstanding receivables from the debtors.	31-05-2018 6
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Further collection activities.	30-08-2018 7
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5. Bank / Collateral

5.1. Bank claims

5.2. Lease contracts

5.3. Specification of collateral

5.4. Secured creditor position

5.5. Retention of title

5.6. Rights of retention

5.7. Rights of recovery

5.8. Percentage or amount paid to the receiver in his capacity as estate administrator for work done

5.9. Activities Bank / collateral

Limited contacts with Rabobank	38-08-2018 7
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During the reporting period, a final discussion with Rabobank has taken place. In addition, there have been contacts regarding certain securities of Rabobank, in respect of which the receiver has requested further information/documentation (also in the context of the regularity audit).	03-12-2018 8
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6. Continuation / relaunch of the company

Continuation of the company

6.1. Operation / collateral

6.2. Financial report

6.3. Activities continuation company/relaunch continuation

6.4. Description

6.5. Explanation

6.6. Proceeds

6.7. Percentage or amount paid to the receiver in his capacity as estate administrator for work done

6.8. Activities relaunch company

7. Lawfulness

7.1. Accounting obligation

The receiver has continued his investigation in the context of compliance with the accounting requirement and works closely with the financial expert. The bankruptcy judge will be informed of the findings in the interim.	31-05-2018 6
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The receiver received the draft report of the financial expert called in by the receiver, but in that context he will not yet make any external announcements at this time. The receiver has thus far deemed the outcome of the investigation sufficient to send a (general) liability to various (former) directors, due to the expiry of the insurance period of the D & O policy.	30-08-2018 7
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The receiver has continued the investigation during the reporting period and expects to draw his conclusions from this in the upcoming reporting period.	03-12-2018 8
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See 1.5.	04-03-2019 9
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7.2. Filing of annual accounts

7.3. Approval certificate accountant

7.4. Obligation to pay on shares

7.5. Mismanagement

The receiver has continued his investigation in the previous period. For this, the receiver closely collaborated with the financial expert. The receiver will continue his investigation and inform the bankruptcy judge about his findings in the interim.	31-05-2018 6
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See 7.1.	30-08-2018 7
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7.6. Fraudulent acts in respect of creditors

7.7. Explanation lawfulness

7.8. Activities lawfulness

Continuation and deepening cause and lawfulness investigation, submit supplementary questions to those involved, coordinate investigation with financial expert.	31-05-2018 6
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Contacts with financial expert, completion lawfulness report, (general) liability (former) management in the period from December 2008 - early 2016, insurance cover under the D & O policy	30-08-2018 7
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Continue and complete lawfulness report.	03-12-2018 8
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See 1.5.	04-03-2019 9
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8. Accounts payable

8.1. Claims against the insolvent company

EUR 1,104,696.70	31-05-2018
UWV has submitted a total claim against the insolvent company of EUR 827,777.29.	6

8.2. Preferential claim tax department

EUR 568,799.73	31-05-2018 6
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8.3. Preferential claim UWV

EUR 457,394.75	31-05-2018 6
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8.4. Other preferential creditors

EUR 233,774.76	31-05-2018
In addition to the UWV, ten employees have filed a preferential claim pursuant to Article 3:288 sub e Netherlands Civil Code in a total amount of EUR 172,635.06.	6
EUR 193,774.76	30-08-2018
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8.5. Number of ordinary creditors

193	31-05-2018
	6
195	30-08-2018
	7
196	04-03-2019
	9

8.6. Amount of ordinary creditors

EUR 4,275,461.07	31-05-2018
	6
EUR 4,331,411.07	30-08-2018
	7
EUR 4,331,606.13	04-03-2019
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8.7. Expected manner of settlement

8.8. Activities accounts payable

Making an inventory of debts.	31-05-2018
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9. Proceedings

9.1. Names other parties

9.2. Nature of the proceedings

9.3. Status of the proceedings

9.4. Activities proceedings

10. Miscellaneous

10.1. Action plan

In the upcoming period, the receiver will focus primarily on the cause and lawfulness investigation. The receiver will inform the bankruptcy judge about the items to be addressed and about the course of the investigation.	31-05-2018
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10.2. Settlement term bankruptcy

The term of settlement of the bankruptcy depends, inter alia, on the findings of the receiver in the context of the cause and lawfulness investigation. The receiver expects to carry out an in-depth assessment of his initial findings in the upcoming reporting period and that he will then to be able to give a (more detailed) estimate of the term of settlement.	31-05-2018 6
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The receiver strives to actually complete his cause and lawfulness investigation in the upcoming reporting period, but this partly depends on the cooperation and speed of others.	30-08-2018 7
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The receiver expects to complete the cause and lawfulness investigation in the upcoming reporting period and to draw further conclusions from this.	03-12-2018 8
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See 1.5.	04-03-2019 9
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10.3. Submission next report

04-06-2019	04-03-2019 9
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10.4. Activities miscellaneous

In particular, continuation of the cause and lawfulness investigation, contacts with the financial expert, completion collection of the outstanding accounts receivable and contacts about this with Rabobank.	31-05-2018 6
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Annexes