



RC Decorating Limited (In Liquidation)

Company Number: 5835893

Liquidators' First Report to Creditors and Shareholders

1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow were appointed joint and several Liquidators (“Liquidators”) of RC Decorating Limited (now In Liquidation) (“the Company”) by special resolution of the shareholders on 5 June 2020 in accordance with section 241(2)(a) of the Companies Act 1993 (“the Act”).

In accordance with section 255 of the Act we report on the Company's affairs together with our proposals for conducting the liquidation.

2. Restrictions

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without our written permission in each specific instance.

We do not assume any responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

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.

3. Declaration of Independence, Relevant Relationships and Indemnities

Attached as **Appendix 1** is the Declaration of Independence, Relevant Relationships and Indemnities, as prepared by the Liquidators, in accordance with the RITANZ Code of Conduct.

4. Company information

RC Decorating Ltd (In Liquidation)		
Date of Incorporation:	28 October 2015	
Registered Office:	86 Kahu Road	
<i>(Prior to liquidation)</i>	Paremata, Porirua	
	New Zealand 5024	
Type of Business:	Painting - Commercial & Residential	
Shareholders:	Ronald Anthony Cooper	100 shares
Directors:	Ronald Anthony Cooper	
Date of Liquidation:	5 June 2020	

5. Background and reasons for liquidation

The Company provided painting services for commercial and residential properties in the Wellington region since its incorporation in October 2015. A relationship breakdown resulted in a key staff member, who handled the Company's finances, to leave in 2018. From this point, the Company started to get into financial difficulty. Over the next two years, these financial difficulties continued to increase, which left the Director/Shareholder of the Company no alternative but to place the Company into liquidation.

6. Statement of affairs

Attached at **Appendix 2** is the Statement of Affairs of the Company. This statement has been prepared based upon financial statements of the Company as at 31 March 2020 and as such may be subject to change.

In preparing the statement we have relied on information provided by accountant of the Company. We have not carried out an audit of the information which has been provided, nor have we subjected the information provided to detailed verification procedures. While we believe the statement, based on the information provided to us, reasonably reflects the position of the Company, we cannot be held responsible for inaccuracies in the report arising from deficiencies in the information or explanations given to us.

7. Creditors

List of creditors

Attached as **Appendix 3** is a full list of the names and addresses of creditors in accordance with section 255(2)(c)(ii)(C) of the Act.

Unsecured creditor claims

We attach as **Appendix 4** our Public Notice which sets 17 July 2020 as the day on or before which the creditors of the Company are to make their claims, and to establish any priority their claims may have under section 312 of the Act or to be excluded from the benefit of any distribution made before the debts are claimed or from objecting to the distribution.

Please complete the Unsecured Creditor's Claim form attached and return to us at the following address or by email:

The Liquidators
RC Decorating Limited (In Liquidation)
C/- BDO Wellington
PO Box 10340
Wellington 6143

Email: wlg.bri@bdo.co.nz

It is too early to reliably estimate what funds, if any, will be available for preferential and unsecured creditors.

Secured creditors notice

Creditors claiming a security interest (including retention of title or other claims) in the Company's assets who:

- have not advised the Liquidators of their security interest; or
- have not received correspondence from the Liquidators concerning their security interest,

Should contact the Liquidators immediately and should not file a claim as an unsecured creditor unless they wish to surrender their charge to the Liquidators.

This report constitutes notice under section 305 (8) of the Act to any secured creditor receiving it that pursuant to section 305 (8) of the Act, you as a secured creditor of the Company are required to (unless you have already advised the Liquidators in writing of such an election or have already received such a notice) elect and notify the Liquidators in writing within 20 working days after receipt of this notice, which of the following powers they wish to exercise:

- a. Realise the property subject to your charge, if entitled to do so; or
- b. Value the property subject to your charge and claim in the liquidation as an unsecured creditor for the balance due, if any; or
- c. Surrender the charge to the Liquidators for the general benefit of creditors and claim in the liquidation as an unsecured creditor for the whole debt.

Pursuant to section 305(9) of the Act, if a creditor fails to notify the Liquidators in compliance with this notice within 20 working days they will be taken as having surrendered their charge to the Liquidators for the general benefit of creditors and they may then claim in the liquidation as an unsecured creditor for the whole debt.

Creditors meeting

In accordance with section 245 of the Act, for the reasons given in the formal notice attached at **Appendix 5**, we have dispensed with the meeting of creditors.

8. Proposals for conducting the liquidation

The Liquidators will conduct an investigation of the Company's books and records to further establish if there are any potentially voidable transactions that require investigation, and further to ensure that the directors have complied with the duties and obligations imposed on them under the Companies Act 1993.

In the event that there are funds available for a distribution, the Liquidators will admit creditor claims and make a distribution.

The Liquidators will then complete a final report and request that the Registrar of Companies remove the Company from the register.

9. Estimated date of completion

It is not practical to estimate the date of the completion of the liquidation at this stage. Our subsequent reports to creditors will, when appropriate, advise of an estimated completion date.

10. Contact information

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

Luke Scully
DDI: (+64 4) 555 0729
Email: Luke.Scully@bdo.co.nz

BDO Wellington
PO Box 10340
Level 1, Chartered Accountants House,
50 Customhouse Quay,
Wellington 6143

Dated 11 June 2020

A handwritten signature in black ink, appearing to read 'ISW'.

IAIN SHEPHARD
Liquidator

APPENDICES

Appendix 1 - Declaration of Independence, Relevant Relationship & Indemnities

Independence

Iain Bruce Shephard and Jessica Jane Kellow, both RITANZ Accredited Insolvency Practitioners, confirm that we have undertaken a proper assessment of the risks to independence in accordance with the Companies Act 1993 and the RITANZ Code of Conduct.

We have determined that the assessment did not identify any real or potential risks to independence.

Relationships

We have not met with the Insolvent or known associates of the Insolvent prior to accepting the appointment, other than to provide the necessary documentation. At no time in the preceding two years have we had a business relationship with the Insolvent, known associates, advisors or a former insolvency practitioner appointed to the Insolvent.

The Insolvent was referred to us by the Company's accountant. This referrer occasionally refers clients to us. We do not consider that there is a risk to independence as there is no commercial arrangement between BDO and the referrer.

Indemnities and Upfront Payments

We have not received an indemnity or upfront payment.

BDO are not aware of any relationships that would result in conflict of interest.



Iain Shephard
Liquidator



Jessica Kellow
Liquidator

Appendix 2 - Statement of Affairs

Estimated Statement of Financial Position as at 5 June 2020

	Book Value as at 31 March 2020	Estimated to Realise	Notes
	\$	\$	
<i>Assets</i>			
Motor Vehicles	12,348	Unknown	
Office Equipment	1,552	Unknown	
Plant & Equipment	1,525	Unknown	
Shareholder's Overdrawn Current Account	11,047	Unknown	
Estimated Funds Available (Subject to the costs of liquidation)		Unknown	
<i>Preferential Creditors</i>			
Inland Revenue Department		198,177	
<i>Unsecured Creditors</i>			
Inland Revenue Department		23,573	
Estimated Shortfall (Subject to the costs of liquidation)		Unknown	

The information contained in the Estimated Statement of Position has been supplied by the Company. We have not verified the information supplied. The Estimated Statement of Financial Position has been prepared for the purpose of liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.



Appendix 3 - List of Creditors

Name	Address 1	Address 2
Accident Compensation Corporation*	<u>business@acc.co.nz</u>	
Inland Revenue Department	PO Box 39010	Wellington

Note:

* - The Liquidators have requested confirmation whether there are outstanding ACC obligations.



Appendix 4 - Public notice of appointment

RC DECORATING LIMITED (IN LIQUIDATION)
("The Company")

NOTICE OF APPOINTMENT OF LIQUIDATORS
AND
NOTICE TO CREDITORS TO CLAIM

Pursuant to Section 255(2)(a) and
Liquidation Regulation 12 of the Companies Act 1993

Iain Bruce Shephard and Jessica Jane Kellow, RITANZ Accredited Insolvency Practitioners of BDO Wellington, were appointed liquidators of the Company by a special resolution of the shareholders on 5 June 2020.

NOTICE is hereby given that as liquidators of the Company, we fix the 17 July 2020, as the day on or before which the creditors of the company are to make their claims, and to establish any priority their claims may have under Section 312 of the Companies Act 1993 (as amended) or to be excluded from the benefit of any distribution made before the debts are claimed, or as the case may be, from objecting to the distribution.

Creditors and shareholders may direct enquiries during normal business hours to:

Luke Scully
BDO Wellington, BRI
Level 1, 50 Customhouse Quay
Wellington 6011

Postal Address PO Box 10340
Wellington 6143

Telephone (04) 555 0729
Email luke.scully@bdo.co.nz

DATED this 9th Day of June 2020

IAIN SHEPHARD
Liquidator



Appendix 5

RC DECORATING LIMITED (IN LIQUIDATION)
("The Company")

**Notice of Liquidators Decision to Dispense with Meetings of Creditors
(Pursuant to section 245 Companies Act 1993)**

We, Iain Bruce Shephard and Jessica Jane Kellow were appointed joint and several Liquidators ("Liquidators") of the Company by special resolution of the shareholders on 5 June 2020.

We do not consider that a meeting of creditors should be held because there are insufficient assets to meet the cost of holding such a meeting and there are limited prospects of funds being available for payment of a dividend to creditors other than to those who hold specific security or have a preferential claim.

No meeting of creditors will be called unless we receive notice in writing from a creditor requiring us to hold a meeting of creditors pursuant to section 314 of the Companies Act 1993 within 10 working days of their receipt of this notice.

Notices should be forwarded to:

Luke Scully
BDO Wellington, BRI
Level 1, 50 Customhouse Quay
Wellington 6011

Postal Address PO Box 10340
Wellington 6143

Telephone (04) 555 0729
Email luke.scully@bdo.co.nz

DATED this 9th Day of June 2020

IAIN SHEPHARD
Liquidator