



## **Reds Food Company and Café Limited (In Liquidation)**

Company Number: 3737425

### **Liquidators' First Report to Creditors and Shareholders**

## 1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow were appointed joint and several Liquidators (“Liquidators”) of Reds Food Company and Café Limited (now In Liquidation) (“the Company”) by special resolution of the shareholders on 5 March 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

### Reds Food Company and Café Ltd (In Liquidation)

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**Date of Incorporation:** 1 March 2012

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**Registered Office:** 148 Settlement Road

*(Prior to liquidation)* RD 2

Te Horo

5581, New Zealand

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**Type of Business:** Café Operation

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**Shareholders:** Williamson Margaret Fraser REID 50 Shares

Alastair Donald MACKAY 50 Shares

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**Directors:** Williamson Margaret Fraser REID

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**Date of Liquidation:** 5 March 2020

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## 5. Background and reasons for liquidation

Reds Food Company and Café Limited is a café and bar that operates in the heart of Otaki. The café had a number of regular customers and sales were consistent leading up to the liquidation.

The owner has fallen behind in GST and PAYE payments from 2017 and a statutory demand was issued for the outstanding balance. Without any realistic way to meet the full payments, the shareholders resolved to place the company in to liquidation.

## 6. Statement of affairs

Attached at **Appendix 2** is the Statement of Affairs of the Company. This has been prepared based on information received from the Company as no financial statements have been received.

In preparing the statement we have relied on information provided by the director 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 16 April 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  
Reds Food Company and Café Limited (In Liquidation)  
C/- BDO Wellington  
PO Box 10340  
Wellington 6143

Email: [wlg.bri@bdo.co.nz](mailto: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**

A potential purchaser of the business was introduced to the Liquidators shortly following their appointment.

The Liquidators are significantly progressed in discussions with the potential purchaser and a sale and purchase agreement has been signed. The Liquidators intend to trade the business as usual until the settlement date.

The Liquidators have been in contact with all relevant suppliers and arranged accounts to continue receiving supplies during this period.

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:

Ryan Kilkolly  
DDI: (+64 4) 472 5812  
Email: ryan.kilkolly@bdo.co.nz

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

Dated this 12 day of March 2020

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

**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 Deans & Associates who acted as the previous accountant for the client. 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 March 2020*

	Book value	Estimated to realise	Notes
	\$	\$	
<b>Assets</b>			
Café Business (including fixed assets)	153,690	Unknown	
Estimated Funds Available (Subject to the costs of liquidation)		Unknown	
<b>Secured Creditors</b>			
Silver Chef Rentals Limited - PMSI Equipment		Nil	1
Finance Now Limited - PMSI Equipment		Nil	1
Coca-Cola Amatil (NZ) Limited - PMSI Equipment		Nil	1
Revive Espresso Limited - PMSI Equipment		Nil	1
<b>Preferential Creditors</b>			
Employee Holiday Pay		18,434	
Inland Revenue Department		79,976	
<b>Unsecured Creditors</b>			
Trade Creditors		23,663	
Inland Revenue Department		47,893	
ANZ		12,749	
<b>Estimated Shortfall</b> (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.

### Notes

1) The securities relate to specific assets leased to the company. Any balance owed following collection will be recorded as unsecured.

## Appendix 3 - List of Creditors

Name	Address 1	Address 2	Address 3
ACC	<a href="mailto:business@acc.co.nz">business@acc.co.nz</a>		
Inland Revenue Department	PO Box 39010	Wellington	
Aitken & Co. Ltd	PO Box 930		Christchurch, 8140
ANZ	anzrecov@anz.com		
Ayrpak	PO Box 81	Otaki, 5542	
Bidfood Ltd	PO Box 5581, Terrace End	Palmerston	North, 4441
Blackboard Wines	81 Port Road	Seaview	Lower Hutt, 5010
BOC Gases	<a href="mailto:nzaccounts@boc.com">nzaccounts@boc.com</a>		
Breadworks Ltd	<a href="mailto:shaun@breadworks.co.nz">shaun@breadworks.co.nz</a>		
Capital Eggs	25 Cairns Street	Rongotai	Wellington 6022
Coca-Cola Amatil Limited	<a href="mailto:nzl.ppsr@ccamatil.com">nzl.ppsr@ccamatil.com</a>		
Crockers General Trading Ltd	54 Old Hautere Road	RD 2	Otaki, 5582
Dowco Associates	<a href="mailto:admin@dowco.co.nz">admin@dowco.co.nz</a>		
Ecoworld NZ 2018 Ltd	<a href="mailto:info@ecoworld.co.nz">info@ecoworld.co.nz</a>		
Envirowaste Otaki	<a href="mailto:accounts.receivable@envirowaste.co.nz">accounts.receivable@envirowaste.co.nz</a>		
Envirowaste Services - Auckland	<a href="mailto:accounts.receivable@envirowaste.co.nz">accounts.receivable@envirowaste.co.nz</a>		
Finance Now Ltd	<a href="mailto:customer@financenow.co.nz">customer@financenow.co.nz</a>		
Flower Power	<a href="mailto:accounts@flowersystems.oc.nz">accounts@flowersystems.oc.nz</a>		
Gilmours Central	<a href="mailto:office.central@gilmours.co.nz">office.central@gilmours.co.nz</a>		
Goodman Fielder NZ	<a href="mailto:customerservice@goodmanfielder.co.nz">customerservice@goodmanfielder.co.nz</a>		
Hawkes Bay Brewery	PO Box 7254	Taradale	Napier, 4112
Just Chillin	<a href="mailto:justchillinrefrigeration@outlook.com">justchillinrefrigeration@outlook.com</a>		
Lims Farm	Unknown		
New World Otaki	155-163 Main Highway		Otaki 5512
NZME	<a href="mailto:enquiries@linkmarketservices.co.nz">enquiries@linkmarketservices.co.nz</a>		
Ohau Wines Ltd	<a href="mailto:accounts@ohauwines.co.nz">accounts@ohauwines.co.nz</a>		
Oji Fibre Solutions Limited	289 Great South Road	Ellerslie	Auckland, 1051
One Music	<a href="mailto:onemusic@nz.com">onemusic@nz.com</a>		
Orders Please	<a href="mailto:info@ordersplease.co.nz">info@ordersplease.co.nz</a>		
Otaki Meats	<a href="mailto:otaki.meats@xtra.co.nz">otaki.meats@xtra.co.nz</a>		
Penray Gardens	1199 State Highway 1		Otaki, 5581
Randwick Meats Co	<a href="mailto:randwick.meats@xtra.co.nz">randwick.meats@xtra.co.nz</a>		
Revive Espresso Limited	<a href="mailto:guy@revive-espresso.co.nz">guy@revive-espresso.co.nz</a>		
Riverbank Engineering	<a href="mailto:info@riverbankeng.co.nz">info@riverbankeng.co.nz</a>		
Shevington Farms	52 Waiorongomai Road		Otaki, 5512
Silver Chef Rentals Limited	<a href="mailto:ppsrnz@silverchef.com.au">ppsrnz@silverchef.com.au</a>		
Tea Total (2018) Ltd	<a href="mailto:enquiries@teatotal.co.nz">enquiries@teatotal.co.nz</a>		
Web2Print	<a href="mailto:tim.web2print@gmail.com">tim.web2print@gmail.com</a>		



## Employees

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Gina Sandy Bateman	<i>Contact Details Withheld</i>
Juliana Bennet	<i>Contact Details Withheld</i>
Hipora Riria Blackler	<i>Contact Details Withheld</i>
Hollie Halvorsen	<i>Contact Details Withheld</i>
Tupaea Spencer Hickling	<i>Contact Details Withheld</i>
Sharon Mannerings	<i>Contact Details Withheld</i>
Caitlin McAlpine	<i>Contact Details Withheld</i>
Genevieve McAlpine	<i>Contact Details Withheld</i>
Joshua Edward Ng	<i>Contact Details Withheld</i>
Stacey Reid	<i>Contact Details Withheld</i>
Josephine Rodgers	<i>Contact Details Withheld</i>
Ashlee Walton	<i>Contact Details Withheld</i>
Terri Webber	<i>Contact Details Withheld</i>
Megan Rodgers	<i>Contact Details Withheld</i>
Jadeena Johnston	<i>Contact Details Withheld</i>
Wade Natrass	<i>Contact Details Withheld</i>

## Appendix 4 - Public notice of appointment

**REDS FOOD COMPANY AND CAFE 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 05 March 2020.

NOTICE is hereby given that as liquidators of the Company, we fix the 16 April 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:

Ryan Kilkolly  
BDO Wellington, BRI  
Level 1, 50 Customhouse Quay  
Wellington 6011

Postal Address PO Box 10340  
Wellington 6143

Telephone (04) 472 5850  
Email [wlg.bri@bdo.co.nz](mailto:wlg.bri@bdo.co.nz)

DATED this 5<sup>th</sup> Day of March 2020



**IAIN SHEPHARD**  
Liquidator

**REDS FOOD COMPANY AND CAFÉ LIMITED (IN LIQUIDATION)  
COMPANY NUMBER 3737425  
("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 March 2020.

We do not consider that a meeting of creditors should be held because there are no issues pertaining to the administration that would require a meeting of creditors.

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:

Ryan Kilkolly  
BDO Wellington  
PO Box 10340  
Wellington 6143

By email: [ryan.kilkolly@bdo.co.nz](mailto:ryan.kilkolly@bdo.co.nz)

DATED this 12th day of March 2020.



IAIN SHEPHARD  
Liquidator