



Prestiged.co.nz Limited (In Liquidation)

Company Number: 5568705

Liquidators' Six-Monthly Report to Creditors and Shareholders

1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow were appointed joint and several liquidators (“Liquidators”) of Prestiged.co.nz Limited (now In Liquidation) (“the Company”) by special resolution of the shareholders on 20 May 2019 in accordance with section 241(2)(a) of the Companies Act 1993 (“the Act”).

In accordance with section 255 of the Act we are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six month period.

This report should be read in conjunction with our previous reports pursuant to section 255(2)(c) of the Act.

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. Background

Prestiged.co.nz Ltd (“the Company”) operated as a scaffolding construction business. Having previously operated under ‘Baltic Scaffolding Ltd’, the Company was successful in gaining several contracts throughout the wider Auckland region since 2015.

However, the Company did not have sufficient capital at the outset to purchase the scaffolding required, and as such it entered a lease agreement for the majority of its plant and equipment. This resulted in reduced margins, and the Company’s turnover was insufficient to meet their repayment obligations. Cash flow difficulties were further compounded by historic tax debts.

The Director sought professional advice and, having attempted to reduce the outgoing expenses, resolved to place the Company into liquidation on 20 May 2019.

4. Liquidators' Actions

The Liquidators advertised their appointment in the relevant publications and made a call for creditor claims. The Liquidators also directly contacted all known creditors and answered any queries they may have had. The Liquidators subsequently reviewed all completed creditor claim forms received.

The Liquidators have liaised with many parties including Inland Revenue, the Companies Office, the New Zealand Gazette and the Accident Compensation Corporation, and completed a review of all information received.

The Liquidators have made distributions to employees who were owed wages and holiday pay from the Company.

The Liquidators were in contact with the Director of the Company and requested a reconciliation of the assets owned by the Company at the time of liquidation. Upon reconciliation, the Liquidators were advised that Island Scaffolding Limited had miscellaneous residual scaffolding equipment that was under the ownership of the Company. The Liquidators agreed that Island Scaffolding may purchase the scaffolding equipment from the Company.

4.1 Schedule of Receipts and Payments

Attached as **Appendix 1** is a schedule of receipts and payments for the duration of the liquidation.

4.2 Asset Realisations

Bank Account Sweeps

The Liquidators have received a total of \$2,695.28 from the Company's pre-liquidation bank accounts

Sale of Assets

As mentioned above, the Liquidators sold miscellaneous residual scaffolding equipment to Island Scaffolding for a total of \$17,250.00 (including GST). An agreement has been made the Island Scaffolding will purchase the scaffolding equipment in \$5,750.00 (including GST) monthly instalments over the upcoming three months.

Debtors

The opening balance of the accounts receivable was \$97,425.85.

The Liquidators have collected debtor payments totalling \$36,656.25 to date.

A further 8 debtors are still owing to the Company in an amount totalling \$47,107.60. The Liquidators will continue to pursue the recovery of this balance.

Shareholders' Current Account

The most recent financial statements show that the Company has an overdrawn shareholders' current account totalling \$95,240.00.

4.3 Creditors Claims

Secured Creditors

One creditor held registered security interests over the Company. The Liquidators notified the creditor accordingly.

Preferential Creditors

The Liquidators have received 3 preferential claims from employees regarding wages and holiday pay totalling \$6,071.16, which includes a \$1,000.00 deduction for a company car given to an employee. The Liquidators' made distributions to all employees totalling 80% of gross pay owed by the Company.

Inland Revenue filed a preferential claim in the amount \$151,060.70.

Unsecured Creditors

The Liquidators received 4 claims from unsecured creditors totalling \$50,532.19.

The Liquidators received an unsecured claim from the Inland Revenue Department in the amount of \$32,715.64.

5. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions: review potential voidable transactions;

- continue a review the actions of management, directors, officers and advisers of the Company and any potential claim against them;
- continue to pursue debtor balances due to the Company;
- pursue the recovery of related party debts;
- distribute available funds (if any) to preferential and unsecured creditors;
- assessing other areas of potential recovery; and
- complying with our statutory obligations.

The Liquidators will consider further actions subsequent to additional information regarding the Company's affairs that comes to the Liquidators' attention. Further actions will be subject to the availability of funding and an assessment of the benefits of pursuing recoveries.

6. 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 and shareholders will, when appropriate, advise of an estimated completion date.

7. 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 this 27th of February 2020



IAIN SHEPHARD
Liquidator



APPENDICES

Appendix 1 - Summary of Receipts & Payments

As at: 27 February 2020

Receipts

Proceeds Pre-Liquidation	2,695.28
Debtors Pre- Liquidation	24,814.70
Debtors Post- Liquidation	11,841.55
GST Refund	191.43
Interest	9.74
	<hr/>
	39,552.70

Less Payments

Wages	6,637.61
GST	1,694.53
RWT	3.22
Liquidation Costs and Disbursements	30,331.17

38,666.53

Liquidators' Bank Account

886.17