



# **Command Services Limited (In Liquidation)**

Company Number: 599663

## **Liquidators' Six-Monthly Report to Creditors and Shareholders**

## 1. Introduction

Iain Bruce Shephard and Christine Margaret Dunphy were appointed joint and several liquidators (“Liquidators”) of Command Services Limited (“the Company”) by special resolution signed by the shareholders on 22 April 2013 in accordance with section 241 (2)(a) of the Companies Act 1993 (“the Act”). Christine Dunphy vacated as liquidator of 7 July 2016.

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

Command Services Limited (In Liquidation) (“the Company”) operated a business offering heating, ventilation, air conditioning and other mechanical services based in Lower Hutt.

The business had traded successfully for a number of years. The Liquidators understand that the Company was solvent up until the receivership of Mainzeal, the Company’s most significant debtor, in February 2013.

The Company attempted to enter a compromise with its creditors however this did not pass. Due to the failure of the compromise the directors were left with no option but to cease trading the Company and place it into liquidation.

## 4. Liquidators' Actions

As previously reported, the only matter outstanding in the liquidation is the unsecured creditor claim that has been filed in the liquidation of Mainzeal Construction Limited (In Liquidation) (“Mainzeal”).

Any distribution to creditors of Mainzeal is dependent on the successful litigation brought by the liquidators of Mainzeal alleging breaches of directors’ duties under the Act. On 26 February 2019, the High Court released its judgment finding that the directors of Mainzeal had breached their duties and were liable to pay \$36m. The directors and liquidators have subsequently filed appeals and cross-appeals respectively. We understand the Court of Appeal upheld the decision and the matter has been referred back to the High Court.

#### 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

Please refer to our previous reports in respect of asset realisations.

#### 4.3 Creditors Claims

##### *Secured Creditors*

Where appropriate, creditors with valid security interests had the goods subject to the security interest returned to them.

##### *Preferential Creditors*

As previously reported, all preferential creditors have been paid in full.

##### *Unsecured Creditors*

The Liquidators have admitted claims totalling \$1,685,717.88. A distribution of ten cents in the dollar was made in late 2013.

The Liquidators are unable to comment as to the likelihood of a further distribution until such time as the Mainzeal liquidation has been finalised.

### 5. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions:

- Await the result of the Mainzeal liquidation;
- distribute available funds (if any) to preferential and unsecured creditors; and
- complying with our statutory obligations.

### 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:

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Dated this 23<sup>rd</sup> day of April 2021

A handwritten signature in black ink, appearing to read 'Iain Shephard'. The signature is stylized and cursive.

**IAIN SHEPHARD**  
Liquidator



## APPENDICES

### Appendix 1 - Summary of Receipts & Payments

*As at:*

*27 April 2021*

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#### Receipts

Accounts Receivable	53,893.08
Inland Revenue - GST Refund	127,357.28
Interest	3,998.91
Pre-Liquidation Bank Account	61,170.27
New Company Debtors	35,350.54
Sale of Service Contracts	218,325.68
Sale of Assets	178,825.00
Utility Refund	742.57
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	<b>679,663.33</b>

#### Less Payments

Advertising	646.56
Bank Fees	222.76
Employee Distribution	-
Legal Fees	26,033.65
Liquidators' Costs and Disbursements	192,582.73
Preferential Claims	253,554.22
Refund for Incorrect Debtor Payments	35,350.54
Resident Withholding Tax	1,343.30
Unsecured Creditor Distributions	169,842.68
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	<b>679,576.44</b>

#### *Liquidators' Bank Account*

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**86.89**