



Richmond Industries Limited (In Liquidation)

Company Number: 16642

Liquidators' First Report to Creditors and Shareholders

1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow were appointed joint and several liquidators (“Liquidators”) of Richmond Industries Limited (now In Liquidation) (“the Company”) by special resolution of the shareholders on 11 June 2019 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

Richmond Industries Ltd (In Liquidation)

Date of Incorporation: 8 September 1964

Registered Office: Kendons Chartered Accountants Ltd
(Prior to liquidation) 69 Rutherford Street
Lower Hutt 5010

Type of Business: Industrial Engineering

Shareholders:	Barbara Alice Allen, David Kinnimont Allen, Kendons Trustees No. 2 Limited	[71,998 shares]
	Barbara Alice Allen	[1 share]
	David Kinnimont Allen	[1 share]

Directors: Barbara Alice Allen
David Kinnimont Allen

Date of Liquidation: 11 June 2019

5. Background and reasons for liquidation

Richmond Industries Limited (“the Company”) was incorporated in 1964 and manufactured and designed industrial engineering equipment. The Company was based in Lower Hutt. From the late 1970s the Company began developing and manufacturing concrete cutting machinery for sale both domestically and internationally. Latterly, the Company also manufactured and fitted vehicle tow bars.

The loss of a major tow bar contract had a serious impact on the Company’s turnover. This loss was coupled with reduced sales due to prevalence of imported products and the online market. In recent years the Company had been trading with the financial support of the shareholders.

The shareholders sought professional advice and determined that it was no longer sensible to advance further money. A resolution was passed to appointed liquidators on 11 June 2019.

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 2017 and as such may be subject to change.

In preparing the statement we have relied on information provided by management 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 24 July 2019 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 as **Appendix 5** and return to us at the following address or by email:

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

Email: brad.burness@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 6**, we have dispensed with the meeting of creditors.

8. Proposals for conducting the liquidation

The Liquidators traded the business for four days to complete the remaining work in progress

Upon their appointment, the Liquidators advertised the business for sale and have invited interested parties to make contact with us for further details. The Company also owns intellectual property in the form of its manufacturing designs/plans and operates the *towbarshop.co.nz* website. We invite all parties who may be interested in purchasing the Company's intellectual property to please contact us.

In the event that a sale of the business as a turnkey operation is not possible, the Liquidators will conduct an onsite auction to sell the Company's tangible assets.

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:

Brad Burness
DDI: (+64 4) 555 0728
Email: brad.burness@bdo.co.nz

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

Dated 17 June 2019



JESSICA KELLOW
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.

From time to time, BDO provides professional services to the secured creditor BNZ. None of the services provided by BDO to the secured creditor of the Insolvent relate now or in the past to the affairs of the Insolvent or the Insolvent's associates. We do not perceive the relationship with the secured creditor is a risk to our independence.

The Insolvent was referred to us by Pat Sheehan of Kendons Chartered Accountants. 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

	Book Value (31/03/17)	Estimated to Realise	Notes:
	\$	\$	
Assets			
Accounts Receivable	31,800	31,800	
Stock	40,000	Unknown	
Plant and Equipment	128,775	Unknown	
Work In Progress		17,000	
Estimated Funds Available (Subject to the costs of liquidation)		Unknown	
Secured Creditors			
Bank of New Zealand (GSA)		231,000	1
Connect Capital Limited (photocopier equipment)		Nil	2
Smartpay Rental Services Limited (EFTPOS terminals)		Nil	2
BOC Limited (gas bottles)		Nil	2
Preferential Creditors			
Employee Holiday Pay		23,798	3
Employee Redundancy		63,817	3
Inland Revenue Department		28,743	
Unsecured Creditors			
Inland Revenue Department		1,013	
Trade Creditors		127,030	
Non-Preferential Employee Holiday Pay		47,962	
Shareholder/Related-Party Advances (estimated)		300,000	
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.

Notes:

1. The debt to BNZ continues to accrue interest.
2. Specific goods validly subject to security will be returned to the secured creditor. The balance of these creditors' claims will rank as unsecured in the liquidation.
3. Any distributions to staff in respect of preferential entitlements will be subject to statutory cap of \$23,960 as per Schedule 7 of the Companies Act 1993.

Appendix 3 - List of Creditors

Name	Address 1	Address 2	Address 3
ACC	Debt Management Unit	PO Box 3248	Wellington
Action Tyre Centre Ltd	info@actiontyres.co.nz		
Airquip Services 2008 Ltd	shaun@aircompressors.co.nz		
Applied Industrial Technology	PO Box 38657	Wellington Mail Centre	Lower Hutt 5045
Auto Sparkie John Ltd	29 Maungaraki Road	Korokoro	Lower Hutt 5012
Bank of New Zealand	Tony_C_Willdig@bnz.co.nz		
BOC Limited	creditadmin-nz@boc.com		
Brevini New Zealand Limited	info@brevini.co.nz		
Bridon New Zealand Ltd	PO Box 1442	Panmure	Auckland
Business Central	PO Box 1087	Wellington 6140	
Cama Products Ltd	PO Box 1588	Whangarei 0140	
Centreline	cathy@centreline.co.nz		
Chelsea Diamond Tools Ltd	katie@chelseadiamond.co.nz		
Chevron New Zealand	cxservice@z.co.nz		
Chubb NZ Ltd	ar.nz@chubb-sharedservices.com		
Connect Capital Limited	connectcapital@connectnz.co.nz		
Connect-Copytech (NZ) Ltd	PO Box 2179	Wellington 6140	
Crown Equipment Ltd	lisa.gilmour@crown.com		
David Allen Family Trust	1 Colin Grove	Hutt Central	Lower Hutt 5010
EDL Fasteners	accounts.payable@edlfast.co.nz		
Electric Motor & Generator	info@petonemotorwinders.co.nz		
Euromarc Industries Ltd	accounts@euromarc.co.nz		
Fastway Courier	wellington@fastway.org		
Hammond Crane & Cartage	info@hammondcrane.co.nz		
Hewsons Office Products	sales@hewsonsopd.co.nz		
HJ Asmuss & Co Limited	dpurdie@hja.co.nz		
Hoses Ltd	31 Glen Road	Stokes Valley	Lower Hutt 5019
Hutt City Council	Private Bag 31-012	Lower Hutt 5040	
Hydraulic Specialties Ltd	PO Box 204-157	Highbrook	Auckland 2161
Hyperlink Ltd	PO Box 14-238	Kilbirnie	Wellington 6241
Industrial Wheels (2000) Ltd	sales@industrialwheels.co.nz		
Ink Works Ltd	7/3 Clendon Street	Naenae	Lower Hutt 5011
Inland Revenue Department	PO Box 39010	Wellington	
Just Water	Private Bag 92811	Penrose	Auckland 1642
Kendons Chartered Accountants	kendons@kendons.co.nz		
Kerf Ltd	775 Tremaine Ave	Palmerston North 4414	
Mainstream NZ Ltd	cs@mainstream.co.nz		
Melbar Engineering Ltd	manager@melbar.co.nz		
NZ Concrete Sawing	info@nzcsda.co.nz		
NZ Courier Ltd	wlg.branch@nzcouriers.co.nz		
NZ Safety Blackwoods	69 The Esplanade	Petone	
Ohurakura Management Ltd	48 Waverley Road	RD 3	Napier 4183
Protective Paints Ltd	PO Box 204-293	Highbrook	Auckland 2161
Repco Petone	online@repco.co.nz		
SaecoPrecision	receivables@saecowilson.co.nz		
Seaview Blasting Ltd	chris@seaviewblasting.co.nz		
Smartpay Rental Services Ltd	rentals@smartpay.co.nz		
Solvent Supplies Ltd	ssw1994ltd@gmail.com		
Synapco Industries Ltd	sales@synapco.co.nz		
Tasman SV Wellington	admin@hera.org.nz		
Total Bodyshop	onlinestore@totalbodyshop.co.nz		
Total Site Supplies	sales@totalsite.co.nz		
Towbar Express	27 Railway Ave	Lower Hutt 5040	
Tracgrip Hydraulics Ltd	357 Tremaine Avenue	Palmerston North 4412	
Trailequip Ltd	PO Box 74	Dargaville 0340	
Trail Parts	accounts@trailparts.co.nz		
Transdiesel Ltd	PO Box 76252	Auckland	
Treadway Limited	admin@treadway.co.nz		
United Steel	accountsreceivable@unitedsteel.co.nz		
Wellington Electroplating Ltd	sales@wgtnelectro.co.nz		



Wormald NZ
Youngman Richardson
Zeald Ltd

55-57 Cuba Street
PO Box 100-040
accounts@zeald.com

Petone
North Shore

Lower Hutt 5012
Auckland 0745

Employees

Malcolm Phillip Halcrow
Herman Knol
Christine O'Leary
John Roberts
Richard Stephen

Contact Details Withheld
Contact Details Withheld
Contact Details Withheld
Contact Details Withheld
Contact Details Withheld



Appendix 4 - Public notice of appointment

**RICHMOND INDUSTRIES 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 11 June 2019.

NOTICE is hereby given that as liquidators of the Company, we fix the 24 July 2019, 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:

DRIVER
BDO Wellington, BRI
Level 1, 50 Customhouse Quay
Wellington 6011

Postal Address PO Box 10340
Wellington 6143

Telephone (04) 555 0728
Email brad.burness@bdo.co.nz

DATED 11 June 2019

JESSICA KELLOW
Liquidator



Appendix 5

UNSECURED CREDITORS CLAIM FORM

Section 304(1) Companies Act 1993

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL Principal Contact: E-mail Address: Telephone Number: My Reference is: (if applicable)	* Any personal information collected is for the purpose of administering the claims in accordance with the Companies Act 1993. The information will be used and retained by BDO Wellington at Level 1, Chartered Accountants House, 50 Customhouse Quay, Wellington 6011 and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993. Any claim by an unsecured creditor against a company in a liquidation must be in this prescribed form and must - (a) Contain full particulars of the claim; and (b) Identify any documents that evidence or substantiate the claim. You may have access to and request correction of any personal information. (* Not applicable if creditor is not an individual entity within the meaning of the Privacy Act 1993)
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NAME OF COMPANY: **Richmond Industries Limited (In Liquidation)**

I, *(Name)*.....
(If claim is made on behalf of creditor, specify relationship to creditor and authority)

claim that the company was at the date of liquidation indebted to the above named creditor for the sum of *(Amount in words and figures)*:

 \$.....

STATUS OF CLAIM: 1. I hold no security for the claimed amount 2. I am surrendering the security I hold and I am claiming as an unsecured creditor 3. I am making a preferential claim <i>(Refer details of reverse)</i>	TICK <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.

(The liquidators may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required** to attach any supporting documents at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED:	Date:
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Warning	It is an offence under Section 304(6) of the Companies Act 1993 to - Make, or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular
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Received (Date Stamp)	RESERVED FOR OFFICE USE: <u>Claim admitted/rejected for voting purposes:</u> Signed: <input style="width: 150px; height: 20px;" type="text"/> Date: <input style="width: 100px; height: 20px;" type="text"/> (Delete one)															
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Signed Liquidator: <input style="width: 150px; height: 20px;" type="text"/>	Dated: <input style="width: 100px; height: 20px;" type="text"/>															



PARTICULARS OF CLAIM

If the creditor owes money to the company, please give full details

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$
	<p><i>If applicable, less any purchase money security interests in relation to goods supplied by creditor to the company [Describe goods]</i></p> <p><i>If applicable, less debts owed by creditor to the company [Describe goods]</i></p>	

PREFERENTIAL CLAIMANTS ONLY

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority.

1. Are you claiming the full amount of your claim as preferential? Yes / No

2. If no, what part of the claim is preferential? \$.....

3. Why do you believe you are a preferential creditor?
(eg. Employee, IRD, NZ Customs).....

4. Details of your claim:.....

If applicable please record here your GST Registration number:

And total GST included in your claim: \$.....

Return to: BDO Wellington Ltd
PO Box 10340
Wellington 6143



Appendix 6

**RICHMOND INDUSTRIES LIMITED (IN LIQUIDATION)
COMPANY NUMBER: 16642
("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 11 June 2019.

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:

Brad Burness
BDO Wellington
PO Box 10340
Wellington 6143

By email: brad.burness@bdo.co.nz

DATED this 18th day of June 2019.

Jessica Kellow
Liquidator