



Platinum Logistics Limited (In Liquidation)

Company Number: 3821716

Liquidators' Six-Monthly Report to Creditors and Shareholders

1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow, RITANZ accredited insolvency practitioners, were appointed joint and several liquidators (“Liquidators”) of Platinum Logistics Limited (“the Company”) by special resolution signed by the shareholder on 8 January 2018 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

Platinum Logistics Limited (In Liquidation) (“the Company”) was incorporated in 2012 and had premises in both Wellington and Auckland. The Company’s primary business was as a commercial relocater providing long-haul freight service throughout the country. The Company also operated the well-known NZ Piano Movers brand and website, as well as providing storage facilities primarily to commercial clients and government departments.

The Liquidators have been advised that the Company had traded well during its operation. However, the director has advised that in the months preceding liquidation, the Company began to experience a downturn in work. This reduction in work, together with the departure of certain clients and several staff members, resulted in the Company experiencing cash flow difficulty. Taking account of the Company’s trading over recent months, its outstanding taxation obligations, and projections indicating the unlikelihood of profitability in January 2018, the shareholder resolved to place the Company into liquidation.

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 Company's principal tangible assets consisted of the 13 shipping containers and general office/industrial equipment. The location of the containers and contents within the premises was haphazardly laid out with customer items stored with Company assets within the containers, and leased shipping containers alongside those belonging to the Company. The landlord consented to the continued occupation of the premises to facilitate the removal of the assets on the condition that rent for the period of the Liquidators' occupation was paid. Considerable coordination between multiple parties was required to realise these assets and significant costs were incurred.

The Liquidators liaised with storage customers and provided alternative storage options with another company.

The Liquidators are reviewing the actions of the director with consideration as to whether there were any potential breaches of the appropriate sections of the Companies Act 1993. The Liquidators' investigations thus far have included reviewing the Company's records and considering the Company's bank transactions. Nothing has arisen from these investigations that may be of benefit to creditors of 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

Vehicles

The Company operated with a large vehicle fleet consisting of: ten vans; four trailers; two cars; and a forklift. The majority of these vehicles were encumbered and the Company had no equity. In these instances, the Liquidators liaised with the secured creditors and arranged for collection.

Two trailers and a van were subject to a security interest in favour of Heartland Bank. The Liquidators sold the vehicles subject to this security for \$40,250 and settled the amount owing to Heartland Bank, \$20,350.21, in full.

The Liquidators sold an unencumbered van for \$7,800.00.

The forklift had a scrap metal value of \$891.00.

Debtors

As indicated in the Liquidators' previous report, the Company's accounts receivable ledger indicated a total of \$220,425 outstanding as at the date of liquidation. The Liquidators, with the Director's assistance, finalised pending invoicing and generated a further \$46,472.93 of invoices, bringing the total accounts receivable to \$266,897.93. \$22,314.28 had been paid prior to liquidation, however, the Company's records had not been updated to reflect this. To date, the Liquidators have collected \$172,831.01 of the Company's debtors.

The Liquidators have written off \$26,956.85. The majority of the write offs have been applied to the two largest debtors. The Liquidators met with these debtors and reviewed supporting documentation against company records. The Liquidators identified that certain items appeared to have been misplaced by the Company and in some circumstances the Company had invoiced for work that was scheduled to take place, but not yet completed; these invoices were written off.

The Liquidators are continuing to collect the balance of the accounts receivable, being \$44,795.79.

Shipping Containers and Equipment

The Liquidators sold the 13 unencumbered shipping containers at auction for \$26,000.11. Office furniture and general equipment was also sold at auction \$26,269.01. Due to the layout and state of the premises at the date of liquidation, significant time was required and third party associated costs were incurred in removing these items from the site and preparing these for sale.

Moving Equipment

The Liquidators sold miscellaneous moving equipment (blankets, trollies, straps) for \$1,828.50.

Intellectual Property

The Liquidators sold the intellectual property of the NZ Piano Movers brand for \$5,750.00. The Liquidators have received the first \$2,875 and have followed up with the purchaser for payment of the balance.

4.3 Creditors Claims

Secured Creditors

The Liquidators have communicated with secured creditors, requested copies of underlying documentation, and reviewed all information received. Following a review of the documentation received, the Liquidators either consented to the return of the collateral subject to security, or realised the collateral and accounted to the secured creditors.

Preferential Creditors

The Liquidators received 16 claims from employees for unpaid wages and holiday pay, totalling \$21,114.22 gross.

The Liquidators have received a preferential claim from Inland Revenue for \$104,900.10.

Unsecured Creditors

The Liquidators have received 24 unsecured claims totalling \$168,139.60.

4.4 Prospect of a Distribution

The Liquidators have made a full distribution of all employee preferential entitlements.

We expect that there will be sufficient funds to allow a distribution to Inland Revenue in respect of its preferential debt, however, the extent of any distribution will depend on the collection of the remaining accounts receivable.

At this stage, due to the level of preferential debt owed to Inland Revenue, it is unlikely that there will be sufficient funds to allow a distribution to unsecured creditors.

5. Further proposals for completing the liquidation

The Liquidators are continuing to collect the balance of the Company's accounts receivable ledger.

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:

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 25 July 2018

JESSICA KELLOW
Liquidator

APPENDICES

Appendix 1 - Summary of Receipts & Payments

PLATINUM LOGISTICS LIMITED (IN LIQUIDATION)

Schedule of Liquidators' Receipts & Payments

As at: **25 July 2018**

	<i>As at:</i>	25 July 2018
Receipts		
Accounts Receivable		172,831.01
Interest		95.94
Proceeds Pre Liquidation Account		11,476.07
Sale of Assets		103,985.12
		288,388.14
Less Payments		
Auctioneer's Costs and Commission		39,552.03
Bank Fees		20.00
Insurance		1,225.04
IRD - GST		2,988.35
IRD - PAYE		6,282.55
Legal Fees		1,500.05
Liquidators' Costs and Disbursements		140,798.31
Liquidators' Purchases		184.76
Ministry of Justice - Employee Deductions		60.00
Preferential Wages & Holiday Pay		14,771.67
Rent		11,500.00
RWT		29.65
Secured Creditor Distribution		20,350.21
Storage Fees		9,478.98
Vehicle Recovery		2,553.90
		251,295.50
<i>Liquidators' Bank Account</i>		37,092.64