



HUFCOR NEW ZEALAND LIMITED (IN LIQUIDATION) ("Company")

Company number: 972352

New Zealand Business Number: 9429037516871

Liquidators' First Report to Creditors and Shareholders

1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow, Licensed Insolvency Practitioners of BDO Wellington, (Registration Numbers: IP71 and IP75 respectively) were appointed joint and several liquidators (“Liquidators”) of Hufcor New Zealand Limited (“Company”) on 6 April 2022 at 4:13pm by special resolution of the shareholders in accordance with section 241(2)(a) of the Companies Act 1993 (“the Act”).

In addition to our statutory obligations, we are also bound by the RITANZ Code of Professional Conduct (“Code”) when carrying out all professional work relating to our appointment as Liquidators.

In accordance with section 255 of the Act we report on the Company's affairs together with our proposals for conducting the liquidation.

Liquidators of insolvent companies are required to be licensed insolvency practitioners. Further details regarding the regulation of insolvency practitioners is available from the Registrar of Companies at: www.companiesoffice.govt.nz/all-registers/insolvency-practitioners/.

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. Company Information

Hufcor New Zealand Ltd (In Liquidation)		
Date of Incorporation:	17 August 1999	
Registered Office:	Quigg Partners	
(Prior to liquidation)	Level 7, 36 Brandon Street	
	Wellington, 6011	
Type of Business:	Operable Wall Manufacturing	
Shareholders:	Hufcor PTY Limited	1000 Shares
Directors:	Gary Sauer	
	Stephen Taylor	
Date of Liquidation:	6 April 2022	



4. Background and Reasons for Liquidation

The Company was based in a warehouse in Petone, Lower Hutt manufacturing operable walls (such as for meeting rooms) and servicing clients across all of New Zealand.

The Company is a wholly owned subsidiary of an Australian company by the same name, which is a wholly owned subsidiary of the main Hufcor group based in the US. The Company predominantly acted as a state office for the Australian entity but would also complete smaller projects within NZ. Operable walls for large projects were imported from offshore Hufcor entities.

The US parent placed the Australian entity in liquidation in late March 2022. The New Zealand entity was a wholly owned subsidiary of the Australian entity and reliant on its shareholder for continued trading. The Liquidator of the Hufcor Australia resolved to appoint liquidators to the New Zealand entity. At the date of liquidation, three major projects and a small amount of minor jobs were in progress. There were three employees including the New Zealand based director who was only part time. The Company ceased trading following the appointment of liquidators to the Australian parent.

The Liquidators have entered early discussions with the Australian liquidator to understand the business and the most effective method to realise the Company's assets.

5. Statement of Affairs

Attached at **Appendix 1** is the Statement of Affairs of the Company. This statement has been prepared based upon an estimated statement of position provided by the liquidator of the Australian entity as at 5 April 2022 and as such may be subject to change.

In preparing the statement we have relied on information provided by the directors and employees of the Company and the Australian liquidator. 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.

We are unaware of any current or pending proceedings to which the Company is party.

6. Creditors

6.1. List of creditors

Attached as **Appendix 2** is a full list of the names and addresses of creditors in accordance with section 255(2)(c)(i) of the Act.

6.2. Unsecured creditor claims

We attach as **Appendix 3** our Public Notice which sets 11 May 2022 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 our Unsecured Creditor's Claim form and return to us at the following address or by email:

The Liquidators
Hufcor New Zealand Limited (In Liquidation)

C/- BDO Wellington
PO Box 10-340
Level 1, Chartered Accountants House
50 Customhouse Quay
Wellington

Email: wlg.bri@bdo.co.nz

It is too early to reliably estimate what funds, if any, will be available for preferential and unsecured creditors.

6.3. 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 (by 11 May 2022) 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 (by 11 May 2022) 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.

6.4. Creditors meeting

In accordance with section 245 of the Act, for the reasons given in the formal notice attached at **Appendix 4**, we have dispensed with the meeting of creditors.

7. Proposals for Conducting the Liquidation

The Liquidators will realise the Company's main asset - its debtors ledger - in the most effective manner possible which will likely involve some compromise with the contractors in supplying the available work in progress, installing, and handling the shipping of various materials and panels. The Liquidators understand there will be a significant portion of the debtors ledger attributable to the major projects.

Once this has been completed, the liquidators will determine how best to realise the fixed assets, vehicles, and inventory that remain on hand.

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.

8. 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.

9. 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 10-340
Level 1, Chartered Accountants House
50 Customhouse Quay
Wellington

Dated this 13th day of April 2022



JESSICA KELLOW
Liquidator

Appendices

- Appendix 1 - Statement of Affairs of the Company
- Appendix 2 - List of Company Creditors
- Appendix 3 - Public Notice of Appointment
- Appendix 4 - Notice of Liquidators Decision to Dispense with Meetings of Creditors
- Appendix 5 - Interests Statement
- Appendix 6 - Initial Remuneration Notice

APPENDICES

Appendix 1 - Statement of Affairs

Hufcor New Zealand Limited (In Liquidation) Statement of Affairs			
	Notes	Initial Report Book value*	Est. Recovery
Assets subject to specific charges			
Inventory	1	unknown	unknown
Less amounts due to PMSI holder		unknown	unknown
Surplus/(shortfall) for preferential creditors		unknown	unknown
Assets subject to GSA/Debenture			
Leasehold Improvements, Vehicles, and PPE	2	128,680	25,000
Surplus from assets subject to specific charges		unknown	unknown
Less amounts due to GSA/debenture holder(s)	3	unknown	unknown
Surplus/(shortfall)		unknown	unknown
Assets available for preferential creditors			
Accounts Receivable/Retentions	4	632,799	unknown
Accrued Income Tax Credits		56,651	unknown
Bank Accounts		3,668	3,668
Inventory/Stock in Trade/WIP	4	800,063	100,000
Prepayments		3,525	unknown
Related party debts	5	355,249	unknown
Surplus from assets subject to specific charges		unknown	unknown
		unknown	unknown
Less Preferential Creditors:			
Employees		(52,332)	(45,622)
IRD		(6,843)	unknown
NZ Customs		(2,728)	unknown
		(61,903)	(61,903)
Surplus/(shortfall)		unknown	unknown
Less Unsecured creditors:			
Accrued Liabilities		(579,779)	unknown
Accrued Warranty		(43,060)	unknown
Employee unsecured claims		unknown	unknown
Trade Creditors		(158,817)	unknown
		unknown	unknown
Overall surplus/(shortfall) for Creditors prior to costs of liq.		unknown	unknown

**Based on an estimated statement of position provided by the Australian liquidator
The above amounts are subject to the costs of liquidation*

Notes:

- 1 The Liquidators have not yet received a claim from this creditor and are currently assessing what stock may be subject to this security.
- 2 The vehicles are quite old and have done considerable mileage.
- 3 The Liquidators are currently liaising with this creditor to determine amounts owed under a cross guarantee.
- 4 A considerable portion of this balance relates to the large contracts and will likely vary depending on the remaining work to see out the contract. The Liquidators are currently in discussion with these contractors to determine the viability of finishing these.
- 5 This balance relates to the Australian entity that is also in liquidation and is likely unrecoverable.

Appendix 2 - List of Company Creditors

Name	Address 1
Accident Compensation Corporation	business@acc.co.nz
All Fire Safety Limited	admin@allfiresafety.co.nz
All Fleet Services Limited	office@allfleet.co.nz
Autex Industries Limited	twilliams@autex.co.nz
Blue Force Steel NZ Limited	unknown
BP Oil New Zealand Limited	customerenquiries@se1.bp.com
CCJS Limited	unknown
Central Office Supplies Limited	sales@centraloffice.co.nz
DSV Sea & Air Limited	info@nz.dsv.com
Fletcher Building Products Limited	ppsr@laminex.co.nz
Forman Building Systems Limited	sanya.sharma@forman.co.nz
Gilt Edge Industries Limited	help@giltedge.co.nz
Hanham and Philp Contractors Limited	lolett.newman@hanhamphilp.co.nz
Hapag-Lloyd (New Zealand) Limited	ullas.wadhwa@hlag.com
Inland Revenue Department	insolvency.notification@ird.govt.nz
LBC Credit Agency Services, LLC	dfraimow@lbccredit.com
Metal Art Limited	tracy@metalart.co.nz
New Zealand Couriers	wre.branch@nzcouriers.co.nz
New Zealand Customs	crams@customs.govt.nz
New Zealand Post	boxandbag@nzpost.co.nz
Norman Bulloch Limited	accounts@bullochengineering.co.nz
On Gas	enquiries@ongas.co.nz
Otakaro Limited	lindsay.rae@otakaroltd.co.nz
Placemakers	unknown
Potter Interiors	wnorders@potters.co.nz
Powder Coating Services Limited	tracy@metalart.co.nz
Powdertool Centre	unknown
Steel & Tube Holdings Limited	ppsr@steelandtube.co.nz
Stronghold Inc	info@strongholdinc.co.nz
Ullrich Aluminium	exports@uacl.co.nz
Warehouse Stationery	orders@online.stationery.co.nz
Wurth	cher@wurth.co.nz
Employees	
Steven Taylor	Contact Details Withheld
Steven Tinworth	Contact Details Withheld
David Pettinger	Contact Details Withheld



Appendix 3 - Public Notice of Appointment

HUFCOR NEW ZEALAND LIMITED (IN LIQUIDATION)
COMPANY NUMBER: 972352
("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

We, Iain Bruce Shephard and Jessica Jane Kellow, Licensed Insolvency Practitioners of BDO Wellington, (Registration Numbers: IP71 and IP75 respectively), were appointed joint and several liquidators of the Company by special resolution of the shareholders on 6 April 2022 at 4:13pm.

NOTICE is hereby given that as joint and several liquidators of the Company, we fix the 11 May 2022, 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 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
PO Box 10-340
Level 1, Chartered Accountants House
50 Customhouse Quay
Wellington

Telephone 04 472 5812
Email ryan.kilkolly@bdo.co.nz

DATED this 8th day of April 2022.

JESSICA KELLOW
Liquidator

Appendix 4 - Notice of Liquidators Decision to Dispense with Meetings of Creditors

HUFCOR NEW ZEALAND LIMITED (IN LIQUIDATION)
COMPANY NUMBER: 972352
("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, Licensed Insolvency Practitioners of BDO Wellington, (Registration Numbers: IP71 and IP75 respectively), were appointed joint and several liquidators of the Company by special resolution of the shareholders on 6 April 2022 at 4:13pm.

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. The Liquidators may decline a request by a creditor or a shareholder to call a meeting on the grounds that:

- a. The request is frivolous or vexatious;
- b. The request was not made in good faith;
- c. The costs of calling a meeting could be out of proportion to the value of the Company's assets.

The decision to decline a request may be reviewed by the Court on the application of any creditor, or shareholder

Notices should be forwarded to:

Ryan Kilkolly
BDO Wellington
PO Box 10-340
Level 1, Chartered Accountants House
50 Customhouse Quay
Wellington

By email: ryan.kilkolly@bdo.co.nz

DATED this 13th day of April 2022.



JESSICA KELLOW
Liquidator

Appendix 5 - Interests Statement & Declaration of Independence, Relevant Relationships and Indemnities

(Pursuant to section 255A of the Act and the Code)

We declare that:

- we have undertaken a proper assessment of risks to independence in accordance with the law, the Code and applicable professional standards;
- we have determined that the assessment identified no circumstance, relationship, or other fact that creates, or could reasonably be perceived as creating, real or potential risks to independence;
- in all cases, we are not otherwise aware of any impediments to taking the appointment.

i. Circumstances of Appointment:

We have been appointed by:

- a special resolution of the Company's shareholders pursuant to section 241(2)(a) the Companies Act 1993;
- the following pre-liquidation discussions were held
 - April 2022 - Initial discussions with Australian liquidator and director to discuss potential liquidation
- no remuneration has been received for these meetings
- these discussions do not result in a conflict of interest because
 - it is recognised that there is a need for practitioners to provide advice on an insolvency process and the options available for the Company. It is not considered that such advice could constitute a conflict; and
 - the nature of the advice was general in nature and concerned the general process of appointing liquidators to the Company.
- the referring entity was the Company's solicitor.
- no other information or advice was provided to the Company or their advisors.

ii. Relevant Relationships (excluding Professional Services to the Company)

We declare that:

- neither we, nor a member of our firm, have had any relevant relationships with the Company or known associates in the previous two years;

iii. Prior Professional Services to the Company

We declare that:

- neither we, nor our firm, have provided prior professional services to the Company or its known associates in the previous two years.

iv. No Other Relationships to Declare

We declare that:

- There are no other relevant relationships, including business and professional relationships, from the previous two years with the Company, a known associate of the Company (excluding relatives, except where the relative has a business relationship with the Company), a former insolvency practitioner appointed to the Company or any person or entity that has a charge over the whole or substantially whole of the Company's property that should be disclosed.

Indemnities and Upfront Payments

We declare that:

- no indemnities or upfront payments have been received.

DATED this 13th day of April 2022



IAIN BRUCE SHEPHARD
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP71



JESSICA JANE KELLOW
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP75



Appendix 6 – Initial Remuneration Notice

HUFCOR NEW ZEALAND LIMITED (IN LIQUIDATION)
COMPANY NUMBER: 972352
(“Company”)

The purpose of this Remuneration Notice is to provide you with information about how our remuneration for undertaking the liquidation will be set.

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an Insolvency Practitioner. These are:

a) Time Based Hourly Rates

This is the most common method of charging. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

b) Fixed Fee

The total fee charged is normally quoted at the commencement of the liquidation and is the total cost for the liquidation.

c) Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

d) Success or Contingency Fees

The practitioner’s fee is structured to be contingent on a particular outcome being achieved.

Remuneration Method Chosen

Given the nature of this liquidation, remuneration will be calculated on time based hourly rates for the following reasons: -

- It ensures that creditors are only charged for work that is performed. Staff are allocated to duties according to their relevant experience and qualifications;
- We are required to perform a number of tasks which do not relate directly to the realisations of assets. For example reporting to the Registrar of Companies, responding to creditor enquiries and distributing funds in accordance with the Companies Act 1993;
- Work often requires staff with different levels of experience as such different hourly rates reflect the expertise of our staff; and
- We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the liquidation.

Charge out Rates

Fees are charged on an hourly basis at the following rates and staffing levels:

Staffing Level	Hourly Rate (Excl GST) (\$)	General Experience
Liquidator	445 - 495	Licensed Insolvency Practitioners with a vast range of industry knowledge and experience. Significant experience in complex insolvency engagements. Leads assignments with overall responsibility for strategy and implementation.
Manager	325 - 395	RITANZ member with at least five years of insolvency experience. Well-developed technical and commercial skills and is responsible for small insolvency assignments.
Assistant Manager	295 - 325	RITANZ member and insolvency specialist with up to four years' experience. Assists planning and control of small to medium jobs.
Senior Analyst	245 - 295	RITANZ member and insolvency specialist with up to three years' experience. Degree qualified and undertakes work stream tasks subject to supervision.
Analyst	110 - 245	RITANZ member and insolvency specialist with one to three years of insolvency experience. Depending on the complexity of the administration, required to either control or assist with day to day fieldwork.
Support Staff	130 - 145	Skilled in administration and process management, specifically experienced working with insolvency related files.

Note: Rates charged by BDO are subject to change.

Disbursements

Disbursements are those out of pocket expenses incurred during the course of an appointment. They are recovered from available funds and are broadly grouped into three types:

- a) Costs paid from the Appointment's bank account directly to third parties not associated with the Practitioner or their firm; or
- b) Costs paid by the Practitioner to third parties not associated with the Practitioner or their firm and later claimed back from the Appointment; or
- c) Costs claimed by the Practitioner for non-professional services provided by the Firm (e.g. phone calls, photocopying & printing, stationery, data room hosting) and/or outlays incurred by their staff in the proper conduct of the Appointment.