



**PATCOOL LIMITED (IN LIQUIDATION)
("Company")**

Company number: 5884654

New Zealand Business Number: 9429042179757

**Liquidators' Third & Final 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 Patcool Limited (“Company”) on 2 February 2021 at 1:04pm 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 sections 257(1)(a)(i) and 257(1)(c) of the Act we are obliged to report to all creditors, shareholders, and the Registrar that the liquidation has been completed. This report should be read in conjunction with our previous two reports pursuant to section 255(2)(d) 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

Patcool Limited (In Liquidation) (“Company”) was incorporated in February 2016 and at the date of liquidation was the registered owner of a commercial property on Jackson Street, Petone (“Property”).

Following a breakdown in the professional relationship between the two shareholders, the Company reached an impasse as to its future operation. The shareholders resolved to appoint liquidators to the Company in order to realise the Property.

4. Liquidators' Actions

On-Going Trading with Tenant

Following appointment, the Liquidators met with the tenant of the Property and confirmed a ‘business as usual’ trade on strategy while a sale of the Property was conducted. Rental and other payments under the lease between the tenant and the Company were paid to the Liquidators’ trust account during this period.

Sale of Property

The Liquidators sought appraisals and marketing proposals from two real estate agents. The marketing campaign to sell the Property by way of tender was launched in March 2021 and tenders closed on 29 April 2021.

The Liquidators received six tenders for the Property, the highest of which (being \$3,575,000) was accepted. The transaction settled on 24 June 2021.

General

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 engaged the Company's former accountant to provide updated financial information and updated shareholder current account balances as at the date of liquidation.

The liquidation was completed at the date and time that this report was filed with the Registrar.

4.1. Schedule of Receipts and Payments

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

Attached as **Appendix 2** is a remuneration schedule covering the duration of the liquidation.

4.2. Asset Realisations

On-Going Trading

The Liquidators received rental payments from the tenant totalling \$93,375.08 from the date of liquidation until the settlement of the transaction.

Sale of Property

As indicated above, the Property was sold on 24 June 2021 for \$3,575,000. The sales price was subject to real estate agent and legal fees.

Inland Revenue - GST Refunds

The Liquidators have received Inland Revenue GST refunds totalling \$18,608.

4.3. Creditor Claims

Secured Creditors

The Bank of New Zealand had a mortgage registered against the Property and was owed \$1,523,564.05 on the date of settlement. The mortgage was repaid in full on settlement.

Preferential Creditors

The Liquidators received one preferential claim of \$3,216.00 relating to the costs incurred in bringing an application to liquidate the Company. Although the Liquidators' appointment was ultimately by special resolution of the shareholders, the petitioning creditor's costs rank as preferential under Schedule 7 of the Act and this claim was paid on 11 March 2021.

Unsecured Creditors

The Liquidators received five unsecured claims from trade creditors totalling \$44,370.30.

In addition, the Liquidators also received two claims from the Company's shareholders totalling \$1,267,237 in respect of their shareholder current accounts.

All bar one of the unsecured claims were admitted and paid in full. The Liquidators reviewed this unsecured creditor's claim and after having sought further information determined that of the \$30,798.13 claimed, only \$7,050.63 was admitted. The Liquidators made distribution to the creditor for the admitted amount and the balance of the claim was rejected.

Distribution of Equity to Shareholders

The Liquidators distributed the balance of the Company's assets to the shareholders in proportion to their shareholding. These assets comprised \$643,588.94 of remaining cash and a receivable of \$38,000. The receivable was distributed as an in-specie distribution and is not reflected in the statement of receipts and payments.

5. Liquidators' Statement

All known assets have been disclaimed, or realised, or distributed without realisation.

All proceeds of realisation have been distributed.

The Company is ready to be removed from the New Zealand Register of Companies.

For the purposes of regulation 9(g) of the Companies (Reporting by Insolvency Practitioners) Regulations 2020, the liquidation of the Company is completed at the date and time the notice is provided to the Registrar of Companies.

6. Removal from New Zealand Register of Companies

As Liquidators, we are obliged to give public notice of the intention to have the Company removed from the Register of Companies. A copy of our notice is attached as **Appendix 3**.

The attention of all creditors and shareholders is drawn to section 321 of the Act which provides that, where public notice is given of an intention to remove a company from the Register, any person may send or deliver to the Registrar, not later than the date specified in the notice, an objection to the removal on any one or more of the following grounds:

- (a) That the company is still carrying on business or there is other reason for it to continue in existence; or
- (b) That the company is party to legal proceedings; or
- (c) That the company is in Receivership, or Liquidation, or both; or
- (d) That the person is a creditor, or a shareholder, or a person who has an undischarged claim against the company; or
- (e) That the person believes that there exists, and intends to pursue, a right of action on behalf of the company under Part IX of this Act; or
- (f) That for any other reason, it would not be just and equitable to remove the company from the New Zealand register.

Creditors and shareholders should be aware of section 321(2)(b)(ii) of the Act which provides that a claim by a shareholder or any other person against a company is not an "undischarged claim" if a receiver or liquidator has notified the shareholder or that person that the company has no surplus assets.

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

Dated this 1st day of March 2022

A handwritten signature in black ink, appearing to read 'Iain Shephard'. The signature is stylized with large, flowing loops.

IAIN SHEPHARD
Liquidator

Appendices

- Appendix 1 - Statement of Receipts and Payments
- Appendix 2 - Remuneration Schedule
- Appendix 3 - Notice of Intention to Remove

APPENDICES

Appendix 1 - Statement of Receipts and Payments

Patcool Limited	
Summary of Receipts & Payments	
2 February 2021 - 1 March 2022	
	\$
RECEIPTS	
Inland Revenue - GST Refunds	15,794
Inland Revenue - GST Refund (to be received)	2,814
Interest Received	65
Proceeds Pre-Liquidation Bank Accounts	2,082
Rates	3,558
Rent Received	93,375
Sale of Assets	3,575,000
Total Receipts	3,692,688
PAYMENTS	
Advertising	6,843
Inland Revenue - GST Payments	606
Legal Fees	12,240
Liquidators' Costs and Disbursements	79,685
Rates	44,954
Real Estate Commission	69,891
Rent	3,575
Resident Withholding Tax	21
Secured Creditor Distribution	1,523,564
Shareholder Distribution	643,589
Unsecured Creditor Distribution	1,307,731
Total Payments	3,692,699
Cash on hand	-



Appendix 2 - Remuneration Schedule

Patcool Limited (In Liquidation)

Remuneration Report - Period: 2 February 2021 - 25 February 2022

	Hourly Rate (\$)	Assets		Company Records		Creditors		Day One/Initial Tasks		Debtors		Employees		Financial	
		Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours
Partners	395 - 495	11,188.50	23.13	-	-	1,930.00	4.00	4,132.50	8.50	-	-	-	-	2,892.58	5.98
Managers	195 - 325	11,412.50	36.50	2,301.25	7.75	4,651.25	14.75	2,360.00	8.00	-	-	-	-	5,346.25	16.75
Analysts	110 - 295	40.33	0.37	-	-	509.67	4.63	-	-	-	-	-	-	196.25	1.00
Finance / Administration	195	-	-	-	-	97.50	0.50	-	-	-	-	-	-	3,120.00	16.00
Support Staff	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		22,641.33	60.00	2,301.25	7.75	7,188.42	23.88	6,492.50	16.50	-	-	-	-	11,555.08	39.73

	Hourly Rate (\$)	Admin/General		Litigation		On-Going Trading		Planning/Review		Secured Creditors		Reporting		Total	
		Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours
Partners	395 - 495	5,283.75	10.75	247.50	0.50	-	-	1,469.33	3.13	-	-	618.75	1.25	27,762.91	57.24
Managers	195 - 325	1,608.75	5.25	-	-	1,778.75	5.75	650.00	2.00	627.50	2.00	1,786.25	5.75	32,522.50	104.50
Analysts	110 - 295	-	-	-	-	-	-	281.25	1.75	40.33	0.37	120.00	1.00	1,187.83	9.12
Finance / Administration	195	3,630.25	18.62	-	-	-	-	-	-	-	-	-	-	6,847.75	35.12
Support Staff	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		10,522.75	34.62	247.50	0.50	1,778.75	5.75	2,400.58	6.88	667.83	2.37	2,525.00	8.00	68,320.99	205.98

Disbursements	Costs
Advertising	424.14
Miscellaneous	28.54
Overheads	-
Travel Costs	55.76
Total	508.44

Note: The hours and costs shown in the table above are the actual WIP totals to date. All totals are exclusive of GST. Payment of \$66,533.61 (excl. GST) has been received on account for both fees and disbursements.



Appendix 3 - Notice of Intention to Remove

PATCOOL LIMITED (IN LIQUIDATION)
Company Number: 5884654
("the Company")

**Notice of Intention to Remove Company from Register
(Pursuant to Section 320 of the Companies Act 1993)**

We, Iain Bruce Shephard and Jessica Jane Kellow, joint and several liquidators of the Company whose registered office is situated at:

BDO Wellington
PO Box 10-340
Level 1, Chartered Accountants House
50 Customhouse Quay
Wellington 6011

Hereby give notice that pursuant to section 318(1)(e) of the Companies Act 1993, and having filed with the Registrar our final report on the liquidation, it is intended to remove the Company from the New Zealand register.

Any objection to the removal pursuant to section 321 of the Companies Act 1993 must be delivered to the Registrar no later than 31 March 2022.

DATED this 2nd Day of March 2022.

A handwritten signature in black ink, appearing to read 'Iain Shephard'.

IAIN SHEPHARD
Liquidator