



**ADVANCED BUILDING & CONSTRUCTION  
LIMITED (IN LIQUIDATION)  
("Company")**

Company number: 6473113

New Zealand Business Number: 9429046385574

**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 Advanced Building & Construction Limited (“Company”) on 5 August 2021 at 1:22pm by resolution of the creditors passed at the watershed meeting in accordance with section 241(2)(d) of the Companies Act 1993 (“the Act”).

Prior to liquidation, Iain Bruce Shephard and Jessica Jane Kellow were appointed as voluntary administrators (“Administrators”) to the Company on 31 March 2021 by GAMOS Services Limited (“GAMOS”) (as a secured creditor) in accordance with section 239K of the Act.

This report should be read in conjunction with the Administrators’ report to creditors pursuant to section 239AU of the Act dated 23 July 2021.

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/](http://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

Advanced Building & Construction Limited (In Liquidation)		
Date of Incorporation:	2 October 2021	
Registered Office: (Prior to liquidation)	Level 1, 50 Customhouse Quay Wellington 6011	
Type of Business:	Modular Construction	
Shareholders:	ModuleXC Holdings Pty Ltd	[1,600 shares]
Directors:	Wayne Patrick O’Brien Darryn Harmer	
Date of Liquidation:	5 August 2021	

#### 4. Background and Reasons for Liquidation

Advanced Building & Construction Limited (now In Liquidation) (trading as AdBuild) (“Company” or “AdBuild”) commenced trading in 2018 with the intention of providing modular building solutions into the New Zealand market, especially in the area of social housing.

During the course of its operation, the Company had successfully completed a number of construction projects for several Government agencies, however, latterly had focused on constructing classrooms for the Ministry of Education.

Initial teething problems with design, multi-council consent processes and deployment learnings led to significant delays and cost overruns in relation to a particular Kainga Ora project in Auckland. The flow-on effects were constructed units consuming factory space, expensive off-site storage needs, and additional factory space requirements to prevent delays to further new construction. The COVID-19 pandemic and the associated lock down trading restrictions resulted in no construction contracts being awarded to the Company for approximately four months.

In late 2020, the Company had commenced a strategic review and restructure of the organisation. As part of the review and restructure, financial projections were undertaken which indicated cashflow constraints occurring in March 2021.

In preparation of the anticipated constraint, the Company sought an informal compromise with creditors and sought to renegotiate payment terms with its secured lenders. The Company also sought additional working capital from its shareholders, which was not forthcoming. One of the secured lenders was not prepared to further negotiate the terms of the repayment of the debt and following meetings with a director of the Company and with management, served a demand on the Company. When this demand was not met, the secured lender appointed administrators to the Company on 31 March 2021.

At the time of the Administrators’ appointment, the Company had 30 active construction projects.

The Administrators maintained a ‘business as usual’ trade-on strategy and traded the business for over four months, while conducting a process for either the sale of the business or investment into the Company. Following a comprehensive sale/investment process, the Administrators entered into a conditional agreement for the sale of the business on 20 July 2021 to Niche Modular Construction Limited (“Niche”).

For the reasons fully set out in the Administrators’ report to creditors dated 23 July 2021, the Administrators recommended that it was in the creditors’ best interests to approve the transaction for the sale of the business to Niche and to resolve to place the Company into liquidation.

At the watershed meeting of creditors held on 5 August 2021, the creditors voted to approve the sale of the business to Niche and resolved to place the Company into liquidation.

#### 5. Statement of Affairs

Attached at **Appendix 1** is the Statement of Affairs of the Company. This statement has been prepared based upon financial records of the Company as at the date of liquidation.

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. Prior to administration, the Company was party to a proceeding, however, this was stayed upon the Administrators’ appointment.

## 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 24 September 2021 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  
Advanced Building & Construction Limited (In Liquidation)  
C/- BDO Wellington  
PO Box 10-340  
Level 1, Chartered Accountants Building  
50 Customhouse Quay  
Wellington  
Email: wlg.bri@bdo.co.nz

Please note, if creditors have already submitted a claim form and supporting documentation for the purposes of voting at either the first meeting of creditors or the watershed meeting of creditors and the value of debt remains unchanged, there is no requirement to resubmit a claim form.

### 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 13 September 2021) 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 13 September 2021) 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 243(11) of the Act, there is no requirement to hold a meeting of creditors where the liquidation follows a resolution of creditors passed at the watershed meeting. Accordingly, no meeting of creditors will be held.

### **7. Proposals for Conducting the Liquidation**

#### ***Settlement of Transaction for the Sale of the Business to Niche***

One of the conditions of the sale of the business was the approval of the transaction by the Company's creditors at the watershed meeting. At the watershed meeting of creditors, the creditors voted overwhelmingly in support of the sale of business of AdBuild to Niche. The Liquidators settled the transaction on 11 August 2021.

The Liquidators have liaised with all trade creditors regarding the transition from AdBuild to Niche and are currently completing the final invoicing and on-going trading matters relating to the Administrators' /Liquidators' trading period.

#### ***Liquidators' Investigations***

##### Inter-Company Loans

The books and records of the Company indicate that there are inter-company loan receivables totalling approximately \$3.12m. The loans both appear to be made from AdBuild to other entities that are wholly owned subsidiaries of ModuleXC Holdings Pty Ltd (which is also the Company's shareholder). Preliminary investigations into these loans suggest that the related-party expenses appear to have been paid for by AdBuild (including payment of related-party's professional fees, suppliers, contractors, and settlement fees).

The Liquidators will investigate the recoverability of these loans. We note that recovery of these loans would make a material impact on the funds available for distribution to unsecured creditors.

##### Directors' Duties under the Act

The Liquidators will conduct a full investigation to assess whether the directors have complied with their duties under the Act, and if not, whether to proceed with a claim against the directors for breaches. We note that the Company did have Directors and Officers insurance cover in place, which did not contain an insolvency exclusion.

##### Antecedent Transactions

The Liquidators will investigate whether there have been any potential voidable transactions and, if so, consider whether recovery action would likely benefit creditors.

### ***Review and Admission of Creditor Claims***

As indicated in the Administrators' report to creditors, based on the value of the known claims, it was estimated that there would be sufficient funds to allow a distribution for unsecured creditors of approximately 45-60 cents in the dollar. The Liquidators note, however, that this is only a preliminary estimate based on the value of the claims known as at the date of this report. All claims must be finalised before the final dividend can be determined.

The Liquidators will review claims and begin the admission process. On the basis that there are no disputed creditor claims, the Liquidators anticipate making a distribution to unsecured creditors by the end of October 2021.

Please note, if creditors have already filed a claim (with supporting documentation) for either the initial meeting of creditors or the watershed meeting of creditors during the administration, and the value of the creditor's debt is unchanged, there is no requirement to re-submit a claim at this stage. The letter to creditors accompanying this report will indicate whether a claim has been received to date.

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:

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

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

Dated this 12<sup>th</sup> day of August 2021



**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 - Interests Statement
- Appendix 5 - Initial Remuneration Notice

## APPENDICES

### Appendix 1 - Statement of Affairs

Advanced Building & Construction Limited (In Liquidation)			
Statement of Affairs			
	Notes	Book value*	Initial Report Est. Recovery
<b>Assets</b>			
Balance of Funds from Administration	1		745,904
Net Proceeds from Sale of Business	2		5,040,000
Accounts Receivable			1,712,803
Accounts Receivable (yet to be invoiced)			3,011,158
Unapproved Variations	3		to be confirmed
Inter-Company Loan Receivables	4	3,120,000	unknown
			<b>10,509,865</b>
<b>Less Administration/Liquidation On-Going Trading Expenses</b>			
Sub-Contractors and Suppliers	5		to be confirmed
Inland Revenue (GST and PAYE)	5		to be confirmed
Labour Hire and Other Expenses	5		to be confirmed
<b>Less Secured Creditors</b>			
Kiwibank Limited	6		(2,032,908)
GAMOS Services Limited	6		(1,091,957)
PMSI Creditors	6		(579,936)
<b>Surplus/(shortfall)</b>			<b>to be confirmed</b>
<b>Less Preferential Creditors:</b>			
Employee Holiday Pay	7		(89,411)
Inland Revenue	8		(865,589)
<b>Surplus/(shortfall)</b>			<b>to be confirmed</b>
<b>Less Unsecured creditors:</b>			
Trade Creditors	9		(4,085,298)
Employee Unsecured Claims	10		(29,726)
IRD Unsecured Claim	8		(85,000)
Related Party Advances	9		(1,074,000)
			<b>(5,274,024)</b>
<b>Overall surplus/(shortfall) for Creditors prior to costs of liq.</b>			<b>to be confirmed</b>

\* Based on Company records as at 5 August 2021

The above amounts are subject to the costs of liquidation

## Appendix 1 - Statement of Affairs (continued)

### Notes to Statement of Affairs

- 1) Balance of funds held in Administrators' trust account as at date of liquidation.
- 2) Purchase price for sale of the business (net of deposit).
- 3) Variations that are yet to be approved by contract principals.
- 4) As indicated above, the Liquidators will investigate the recoverability of these loans.
- 5) Trading expenses from 1 July to 11 August 2021. The Liquidators are currently liaising with staff and Niche to confirm.
- 6) These amounts were repaid in full upon settlement on 11 August 2021.
- 7) Employee holiday pay has been paid in full (either upon settlement or by transferring liability to Niche).
- 8) The Inland Revenue is yet to file a claim or advise its pre-administration debt.
- 9) Estimate based on the information available. The Liquidators will review and being claims admission process.
- 10) Balance of employee notice period pay.

## Appendix 2 - List of Company Creditors

Creditor Name	Address
ZPIR Consulting Ltd	info@2pir.co.nz
Accident Compensation Corporation	recoveries@acc.co.nz
Adam van Baarle	<i>Contact Details Withheld</i>
Adecco Personnel Ltd	Beverley.Hartsorn@adeccogroup.com
Alpha Painting and Plastering Ltd	alphapainters11@gmail.com
AML Ltd T/A Allied Concrete	helen.mcleod-young@hwr.co.nz
Angie Kilbride	<i>Contact Details Withheld</i>
Anthony Moreton Group Pty Ltd	acribb@anmor.com.au
Architectural Hardware Supp.	ahswell@ahs.co.nz
Auckland Cranes Ltd	maribel.chang@aucklandcranes.co.nz
Bank of New Zealand Ltd	michael_l_williams@bnz.co.nz
Baz Construction Ltd	mathew_mati_3@msn.com
Bentley & Co Ltd	marbuthnot@bentley.co.nz
Berlinda Guinayen	<i>Contact Details Withheld</i>
Boxman Alpha Ltd	info@boxman.co.nz
BR Flooring Ltd	ben.ricketts@brflooring.co.nz
Brents Cleaning Services Ltd	bblacow@yahoo.com.au
Bunnings Ltd	pmoodley@bunnings.com.au
Cable Locators Ltd	locate@cablelocators.co.nz
Carpet Court Retailing Ltd	cc.creditcontrol@carpetcourt.nz
Castle Portable Buildings Ltd	admin@castlepb.co.nz
CCL 2015 Ltd	ccl@coco.co.nz
Central Forklift Group Ltd	steve@centralgroup.co.nz
Chair Solutions Ltd	accounts@chairsolutions.co.nz
Climate Coating Ltd	jeffs@climatesurfaces.co.nz
Cloud 9 Accountants Ltd	office@cloud-9.co.nz
CodeBlue Wellington	cbw.accounts@codeblue.co.nz
Colourcraft Ltd	office@colourcraftna.co.nz
Corporate Traveller	lisa.pearce@corporatetraveller.com.au
Crown Equipment	TeAta.Bagnall@Crown.com
Cube Rent Ltd	office@cube.co.nz
Cuttriss Consultants Ltd	jan@cuttriss.co.nz
Darryn Harmer	<i>Contact Details Withheld</i>
David Morris	<i>Contact Details Withheld</i>
Dentons Kensington Swan	keshne.gobindlal@dentons.com
Diligence Partners Ltd T/A Technical Futures	chrism@technicalfutures.co.nz
East Coast Bays Engineering	admin@ecbeng.co.nz
ECP Constructions NZ Ltd	kylebate@ecpconstructions.com.au
Edge NZ Ltd	tpeters@edgece.com
Enterprise Recruitment AK South Ltd	warwick.neutze@enterprise.co.nz
Enterprise Recruitment Wgtn Ltd	warwick.neutze@enterprise.co.nz
Enterprise Recruitment Ltd	warwick.neutze@enterprise.co.nz
Evolution Scaffolding Ltd	wiremu@evolutionscaffolding.co.nz
Feco Fence Systems Ltd	sales@feco.co.nz
Financial Synergy Ltd	info@financialsynergy.co.nz
Fletcher Steel Ltd - Dimond Roofing	wellington@dimond.co.nz
Fletcher Steel Ltd - EasySteel	Creditcontrol@fbsg.co.nz
Interproducts Ltd	admin@framecontracting.co.nz
GAMOS Services Ltd	michael@rolleproperty.co.nz

## Appendix 2 - List of Company Creditors (continued)

Creditor Name	Address
Glenns Glass and Aluminium Ltd	admin@glenns.co.nz
Green Way Ltd	accounts@greenway.net.nz
Harvey Norman Stores Ltd	sarah.baker@nz.harveynorman.com
Hilti New Zealand Ltd	accountsreceivable.nzteam@hilti.com
Hirepool Ltd	accounts.receivables@hirepool.co.nz
Holyoak Industries Ltd	ar@holyoake.com
Howard Material Handling Ltd	accounts@howardmaterialhandling.co.nz
HSCNZ Ltd	guru@hsc.co.nz
Hutt Valley Chamber of Commerce	accounts@hvcci.org.nz
Industrious Property	matt@industriousproperty.nz
Inland Revenue Department	insolvency.notification@ird.govt.nz
INPLUS Architecture Ltd	mario@inplus.nz
Interiors Ltd T/A Hansens	michelle@hansens.co.nz
IQ Security 2015 Ltd	karl@iqsecurity.co.nz
Jatcors International Pty Ltd	Contact Details Withheld
Jennylyn Yenko	Contact Details Withheld
JJ Richards and Sons NZ Pty	ar.auckland@jjrichards.co.nz
JMZ Group Ltd	tahana@jmgzgroup.nz
Kiwibank Ltd	vaughan.hewson@kiwibank.co.nz
Legacy Contracting Ltd	nick@legacycontracting.co.nz
Manufacturing Suppliers Ltd	anna.silva@steelandtube.co.nz
Martin Potts	Contact Details Withheld
Matt Kingstone	mkingstone@extra.co.nz
Max Birt Sawmills Ltd	craigashton@maxbirt.co.nz
McFall Fuel Ltd	shona.thompson@mcfallfuel.co.nz
McKechnie Aluminium Solutions Ltd	glenn.steffensen@mckechnie.co.nz
Mercury NZ Ltd	keycommercialcredit@mercury.co.nz
Meridian	service@meridianenergy.co.nz
Mobile On-Site Shredding Ltd	info@onsiteshredding.co.nz
Moddex NZ Ltd	accounts@moddex.com
Modulec Ltd	troy@modulec.co.nz
Nebulite Wellington Ltd	brian@nwltd.co.nz
Nees Hardware & Building Supplies Ltd	admin@megapetone.co.nz
Nico Patchay	Contact Details Withheld
Nova Energy	CMuirhead@novaenergy.co.nz
NZ Safety Blackwoods	debtors@nzsafetyblackwoods.co.nz
OfficeMax New Zealand Ltd	giridher.walthati@officemax.co.nz
Partners In Property	darryn@partnersinproperty.com.au
Pipework Solutions Ltd	accounts@pipework.co.nz
Point Construction Group 2019 Ltd	info@pointconstruction.co.nz
Point Construction Group Ltd	info@pointconstruction.co.nz
Polka Dot Enterprises Pty Ltd	sarah@polkadotmarketing.com.au
Precision Site Solutions Ltd	sitesolutions2018@gmail.com
Powershop	admin@powershop.co.nz

## Appendix 2 - List of Company Creditors (continued)

Creditor Name	Address
PTS Logistics Ltd	ar@ptsl.co.nz
Q Designz Ltd	accounts@qdesignz.co.nz
Ranfab NZ Pty Ltd	rob@ranfab.co.nz
Raunik Design Group	frank@raunikdesign.com.au
Redmap Pty Ltd	accounts@redmap.com
Reliabull Hardware Co Ltd	ahswell@ahs.co.nz
Rena Hartley-Stretch	<i>Contact Details Withheld</i>
Rentokill Initial	ri-remittances-nz@rentokill-initial.com
Rohits Civil & Infrastructure	parikshith@rohits.co.nz
Ruth Isaacs	<i>Contact Details Withheld</i>
Scaffolding Innovations Ltd	info@scaffoldingauckland.com
Seddon Associates	mail@seddonassociates.co.nz
Shrinkwrap Supplies	admin@shrinkwrapsupplies.co.nz
Steel & Tube Holdings Ltd	nikita.sharma@steelandtube.co.nz
Superior Windows & Doors Ltd	donna@superiorwindows.co.nz
T & R Interior Systems Ltd	natasha@tr-interiorsystems.co.nz
Tania Rutherford	<i>Contact Details Withheld</i>
TIL Freight Ltd	accounts.receivable@til.kiwi
Tonkin & Taylor Ltd	wlg@tonkintaylor.co.nz
Ullrich Aluminium Co. Ltd	annemarieh@uacl.co.nz
Underground Network Services Pty Ltd	accounts@unsgroup.com.au
USG Boral Building Products NZ	nzaccounts@usgboral.com
Valley Print	Bernie@valleyprint.co.nz
Vanguard Group Ltd	sales@vanguardgroup.co.nz
Waikanae Beach Motel Ltd	nicola@nzgsmedical.co.nz
William Newton-Hill	<i>Contact Details Withheld</i>
Window Control Systems 2017	admin@windowcontrolsystems.co.nz



**Appendix 3 - Public Notice of Appointment**

**ADVANCED BUILDING & CONSTRUCTION LIMITED (IN LIQUIDATION)  
(trading as AdBuild)  
("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, Licensed Insolvency Practitioners of BDO Wellington, were appointed liquidators of the Company on 5 August 2021 at 1:22pm by a resolution of the creditors passed at the watershed meeting.

NOTICE is hereby given that as liquidators of the Company, we fix the 24 September 2021, 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:

Brad Burness  
BDO Wellington - Business Restructuring  
Level 1, 50 Customhouse Quay  
Wellington 6011

Postal Address PO Box 10-340  
Wellington 6143

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

DATED this 9<sup>th</sup> day of August 2021

**JESSICA KELLOW**  
Liquidator

## Appendix 4 - 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.

This Interests Statement & Declaration of Independence, Relevant Relationships and Indemnities should be read in conjunction with those prepared during the administration process.

### i. Circumstances of Appointment:

We have been appointed by:

- a resolution of the Company's creditors held at the watershed meeting of creditors pursuant to section 241(2)(d) the Act;

Our appointment as liquidators follows our appointment as voluntary administrators to the Company on 31 March 2021 by GAMOS Services Limited (as secured creditor) pursuant to section 239K of the Act.

### 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.

## A. Indemnities and Upfront Payments

We declare that:

- no indemnities or upfront payments have been received.

DATED this 12<sup>th</sup> day of August 2021



**IAIN BRUCE SHEPHARD**  
Liquidator  
Licensed Insolvency Practitioner  
Registration Number: IP71



**JESSICA JANE KELLOW**  
Liquidator  
Licensed Insolvency Practitioner  
Registration Number: IP75

## Appendix 5 – Initial Remuneration Notice

### ADVANCED BUILDING & CONSTRUCTION LIMITED (IN LIQUIDATION) (trading as AdBuild) ("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	395 - 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.
Analyst	165 - 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.