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## **COMPASS HOMES (AUCKLAND SOUTH) LIMITED (IN LIQUIDATION)**

Company number: 5981508  
NZBN:

**Liquidators' First Report to Creditors and  
Shareholders**

**21 December 2020**

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## 1. Introduction

Compass Homes (Auckland South) Limited (In Liquidation) (“the Company”) was placed into liquidation by order of the High Court of Tauranga on the 7th day of December 2020 at 10:22am pursuant to Section 241(2)(a). Kenneth Peter Brown and Paul Thomas Manning, both Chartered Accountants and Licensed Insolvency Practitioners of Tauranga, were appointed as Joint and Several Liquidators of the company.

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. Company information

Date of Incorporation:	4 May 2016	
Trading Address:	3 Te Aparangi Crescent, Papakura (show home)	
Type of business:	Construction	
Date trading ceased:	January 2020	
Shareholders:	Compass Homes Contracts Limited	Number of Shares: 8,385
	Caesar Homes Limited	Number of Shares: 8,385
Director:	Garry Shuttleworth	

## 4. Background and reasons for liquidation

The Director of the company has advised the reason for the failure of the Company was due to alleged non-compliance of the joint venture agreement, a lack of required funding being applied resulting in unresolved disputes between the joint venture partners and a cessation of trading. As a consequence one of the joint venture parties, Compass Homes Contracts Limited, made an application to the High Court in Tauranga, for the company to be liquidated.

Attached as **Appendix 1** is the Declaration of Independence, Relevant Relationships and Indemnities.

## 5. 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 the date of our appointment and as such may be subject to change.

In preparing the statement we have relied on information provided by the director 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.

## 6. 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 22 January 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 the Unsecured Creditor's Claim form attached as **Appendix 5** and return to us at the following address or by fax or email:

The Liquidators  
Compass Homes (Auckland South) Limited (In Liquidation)  
C/- BDO Tauranga Limited  
PO Box 15660  
TAURANGA 3144  
Email: karen.ragg@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.

### 7. Proposals for conducting the liquidation

The Liquidators will review the Company's books and records to establish if there are any potentially voidable transactions, any potential shareholder current issues and ensure the Director has complied with his duties and obligations imposed on him under the Companies Act 1993.

The Liquidators will dispose of any assets belonging to the company and distribute any available funds.

There are no known legal proceedings to which the company is a party.

The Liquidators will then seek to have the Company removed 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 six monthly reports to creditors will, when appropriate, advise of an estimated completion date.

### 9. Contact information

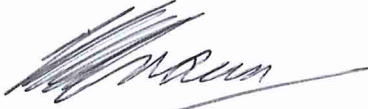
If you require any further information or if you have any information that will be of assistance to the Liquidators, please direct enquiries to:

Karen Ragg  
Phone: 07 571 6280  
Email: karen.ragg@bdo.co.nz

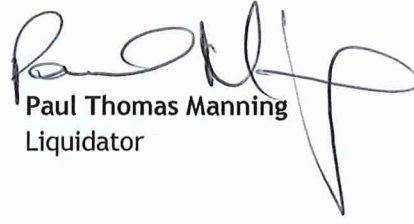
BDO Tauranga Limited  
PO Box 15660  
TAURANGA 3144

Level 1  
525 Cameron Road  
TAURANGA 3110

Dated this 21 December 2020

A handwritten signature in black ink, appearing to read 'K.P. Brown', written over a horizontal line.

**Kenneth Peter Brown**  
Liquidator

A handwritten signature in black ink, appearing to read 'P.T. Manning', written over a horizontal line.

**Paul Thomas Manning**  
Liquidator

## APPENDICES

### Appendix 1 -

# Declaration of Independence, Relevant Relationships and Indemnities

COMPASS HOMES (AUCKLAND SOUTH) LIMITED  
(IN LIQUIDATION) Reg No: 5981508  
("COMPANY")

This document requires the Practitioner/s appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
  - i the circumstances of the appointment;
  - ii any relationships with the Company and others within the previous 24 months;
  - iii any prior professional services for the Company within the previous 24 months;
  - iv that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our co-directors and BDO Tauranga Limited.

#### A. Independence

We, Kenneth Peter Brown and Paul Thomas Manning, of BDO Tauranga Limited have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint Liquidators of the Company in accordance with the law, RITANZ Code of Conduct and applicable professional standards. This assessment identified no real or potential risks to our independence. We have evaluated the significance of any real or potential risk to Independence and taken such action as is necessary to preserve the Practitioner's Independence. In all cases, we are not otherwise aware of any reasons that would prevent us from accepting this appointment.

#### B. Declaration of Relationships

##### i Circumstances of appointment

This appointment was referred to us by Duncan Cook of Sharp Tudhope. Duncan Cook acts as lawyer to Compass Homes Limited who applied for the company to be placed into liquidation. We spoke with the director Gary Shuttleworth on 2 December to discuss possible appointment as liquidators following a court hearing being held on 7 December 2020. Kenneth Brown advised him as to the options available to them having regard to the financial state and assets of the Company.

We believe that this referral does not result in a conflict of interest or duty because:

- They were simply procedural matters advising of how the liquidation process works;
- We undertook conflict checks around the BDO network and no responses were received.

We agreed to accept nomination as Joint and Several Liquidators, but have provided no information or advice to the Company or its Directors prior to our appointment beyond that outlined in this DIRRI.

ii **Relevant Relationships (excluding Professional Services to the Insolvent)**

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
Compass Homes (Rodney) Limited and Gary Shuttleworth Director	Liquidators (now completed)	We believe that this relationship does not result in a conflict of interest or duty because two companies are separate entities.

There are no other prior professional or personal relationships that should be disclosed.

iii **Prior Professional Services to the Insolvent**

Neither we, nor our Firm, have provided any professional services to the Company in the previous 24 months, other than those outlined herein.

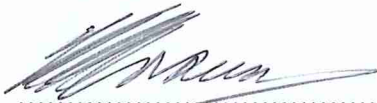
iv **No other relevant relationships to disclose**

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to Compass Homes (Auckland South) Limited or any person or entity that has a valid and enforceable security interest on the whole or substantially the whole of the Company's property that should be disclosed.

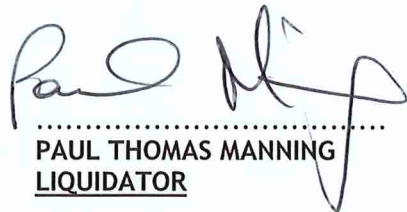
C. **Indemnities and up-front payments**

We have not been indemnified in relation to this liquidation, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated: 7 December 2020



.....  
**KENNETH PETER BROWN**  
**LIQUIDATOR**



.....  
**PAUL THOMAS MANNING**  
**LIQUIDATOR**

**NOTE:**

1. *If circumstances change, or new information is identified, the Practitioner must update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.*
2. *Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.*

## Appendix 2 - Statement of affairs

<b>Compass Homes (Auckland South) Limited (In Liquidation)</b>		
<b>Statement of Affairs as at the date of the appointment of the</b>		
<b>Liquidators being 7 December 2020</b>		
		<b>Estimated</b>
		<b>to realise</b>
		<b>\$</b>
<b>Assets</b>		
Cash at bank		895
Debtors		8,000
Fixtures and Fittings (Book Value)		14,616
		<b>23,511</b>
<b>Less Secured Creditors:</b>		
Sharp Corporation of NZ Ltd	1	<i>Unknown</i>
Fletcher Distribution Ltd t/a Placemakers South Auckland		-
Kitchen Things NZ Ltd	1	<i>Unknown</i>
Royalwolf Trading New Zealand Ltd	1	<i>Unknown</i>
Bridgestone New Zealand Ltd		<i>Discharged</i>
Westpac New Zealand Ltd		-
AJ Electrical Services Ltd		-
Carters Building Supplies Ltd		<i>Discharged</i>
		<i>Unknown</i>
<b>Less Preferential Creditors</b>		
Inland Revenue - GST		58,961
<b>Surplus before unsecured creditors</b>		<i>Unknown</i>
<b>Unsecured creditors:</b>		
Inland Revenue Penalties & Interest		5,294
Trade Creditors		29,132
Compass Homes Limited		291,738
Shareholder Current Account		161,766
		<b>487,930</b>
<b>Estimated deficit (subject to costs of Liquidation)</b>		<b>Unknown</b>
<b>Note 1 - No reply has been received as yet, however we believe there are no amounts owed.</b>		
<b>Disclaimer</b>		
This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report and BDO Tauranga Limited have not audited the report and they, their directors or employees accept no liability to any other party in relying on the information presented. The purpose of the report is to give creditors of the company an indication of the financial position of the company as at the date of the appointment of the Liquidators.		



### Appendix 3 - List of creditors

Creditor Name	Address 1	Address 2	Address 3
Sharp Corporation of NZ Limited	PO Box 12244	Penrose	Auckland 1642
Fletcher Distribution Limited	PO Box 2721033	Papakura	Auckland 2244
Kitchen Things NZ Limited	Private Bag 92-900	Onehunga	Auckland 1061
Royalwolf Trading New Zealand Limited	PO Box 22662	Otahuhu	Auckland 1640
Bridgestone New Zealand Limited	PO Box 91440	Victoria Street West	Auckland 1142
Westpac New Zealand Limited	Westpac Legal	16 Takutai Square	Auckland 1010
AJ Electrical Services Limited	3 Albert Hall Drive	Red Beach	Auckland 0932
Carters Building Supplies Limited	Private Bag 94027	Manukau City	Auckland 2241
Compass Homes Limited	PO Box 510	Rangiora	Canterbury 7400
Fraser Thomas	PO Box 204006	Highbrook	Auckland 2161
Hi Tech Marketing	20 Claremont Street	Grafton	Auckland 1023

## Appendix 4 - Public notice of appointment

COMPASS HOMES (AUCKLAND SOUTH) LIMITED (IN LIQUIDATION)  
COMPANY NUMBER 5981508  
("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

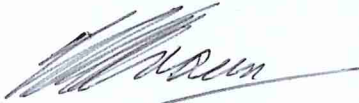
Kenneth Peter Brown and Paul Thomas Manning, both Chartered Accountants and Licensed Insolvency Practitioners of Tauranga, were appointed joint and several liquidators of the Company by an order of the High Court of Tauranga on 7th December 2020 at 10:22am, following an application by Compass Homes Limited.

NOTICE is hereby given that as joint and several liquidators of the Company, we fix 22 January 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 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:

Postal Address	Karen Ragg BDO Tauranga Limited PO Box 15660 Tauranga 3144
Telephone	(07) 571 6280
Facsimile	(07) 571 6281
Email	karen.ragg@bdo.co.nz <a href="http://www.bdo.co.nz/">http://www.bdo.co.nz/</a>

Dated this 21 December 2020



**Kenneth Peter Brown**  
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 Tauranga Limited 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)
---	--

NAME OF COMPANY: **Compass Homes (Auckland South) 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):  
 .....  
 ..... \$.....

<b>STATUS OF CLAIM:</b> 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 (Refer details on reverse) 4. I am claiming reservation of title rights pursuant to rights held by me (Refer details on reverse)	<b>TICK</b> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
---	---

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:
---------	-------

<b>Warning</b>	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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<b>Received</b> (Date Stamp)	<b>RESERVED FOR OFFICE USE:</b> Claim admitted/rejected for voting purposes:      Signed:      Date: (Delete one)									
	<table style="width:100%;"> <tr> <td style="width:33%;"><u>CLAIM REJECTED FOR PAYMENT:</u></td> <td style="width:33%;">Preferential Claim for: \$</td> <td style="width:33%;">Ordinary Claim for \$</td> </tr> <tr> <td style="text-align: center;">or</td> <td></td> <td></td> </tr> <tr> <td><u>CLAIM ADMITTED FOR PAYMENT:</u></td> <td>Preferential Claim for: \$</td> <td>Ordinary Claim for \$</td> </tr> </table>	<u>CLAIM REJECTED FOR PAYMENT:</u>	Preferential Claim for: \$	Ordinary Claim for \$	or			<u>CLAIM ADMITTED FOR PAYMENT:</u>	Preferential Claim for: \$	Ordinary Claim for \$
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Signed Liquidator:	Dated									

**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> <p><b>RETENTION OF TITLE CLAIMANTS ONLY</b> Please provide details of the basis of your retention of title claim and furnish a copy of the documentation showing that such reservation of title clause is a condition of contract.</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 Tauranga Limited  
PO Box 15660, Tauranga 3144  
Or email: hayley.cameron@bdo.co.nz

## Appendix 6

**COMPASS HOMES (AUCKLAND SOUTH) LIMITED (IN LIQUIDATION)  
COMPANY NUMBER 5981508  
("the Company")**

**Notice of Liquidators Decision to Dispense with Meetings of Creditors  
(Pursuant to section 245 Companies Act 1993)**

Kenneth Peter Brown and Paul Thomas Manning, both Chartered Accountants and Licensed Insolvency Practitioners of Tauranga, were appointed joint and several liquidators of the Company by an order of the High Court of Tauranga on 7th December 2020 at 10:22am, following an application by Compass Homes Limited.

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. However, the liquidators reserve the right to not hold a meeting if it is felt the request is frivolous or there are no available funds to cover the costs involved.

Notices should be forwarded to:

Postal Address	BDO Tauranga Limited PO Box 15660 Tauranga 3144
Telephone	(07) 571 6280
Facsimile	(07) 571 6281
Email	karen.ragg@bdo.co.nz <a href="http://www.bdo.co.nz/">http://www.bdo.co.nz/</a>

Dated this 21 December 2020



**Kenneth Peter Brown**  
Liquidator