


Sai Bliss Limited (In Liquidation and In Receivership)  
("the Company")

Company number: 2192679

**Receivers' First and Final Report on the State of Affairs**

Pursuant to Section 23 and 24 of the Receiverships Act 1993

6 December 2019



## 1. Introduction

Kenneth Peter Brown and Thomas Lee Rodewald were appointed joint and several receivers and managers (“Receivers”) of Sai Bliss Limited (In Liquidation and In Receivership) (“the Company”) on 2 October 2019 under the terms of a General Security Agreement (“GSA”) dated 2 July 2014 giving the Bank of New Zealand (“the Bank”) security interests or charges created by the GSA with all the powers conferred by the GSA and at law.

Prior to that, Imran Mohammed Kamal, Insolvency Practitioner from Liquidation Management, Wellington, had been appointed Liquidator of the Company on 1 October 2019.

## 2. Restrictions

This report has been prepared by us in accordance with and for the purposes of Section 23 and Section 24 of the Receiverships Act 1993. It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership and serves as a final report since the receivership was completed close to the initial two month reporting period.

All information contained in this report is provided in accordance with Sections 26 and 27 of the Receiverships Act 1993. In compiling this report we have relied upon and not independently verified or audited information or explanations provided to us.

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.

Certain information can be withheld by the Receivers if inclusion would materially prejudice the exercise of the Receivers’ functions.

## 3. Events leading to our appointment

Following the appointment of the Liquidator by the shareholders, the General Security Agreement holder decided, since the appointment breached their covenants, to appoint Receivers and Managers.

## 4. Steps taken since our appointment

The Receivers have undertaken the following since their appointment:

- Following assessment of financial performance determined that trading of the Company was not viable;
- Arranged for a valuation of the Company owned building;
- Reviewed the plant, equipment and stock position;
- Undertaken a sale process the Company’s assets;
- Assessed the Personal Property Securities Register (“PPSR”) claims from suppliers;
- Taken legal advice on the appointment and PPSR issues;
- Reported to the appointing secured creditor;
- Liaised with unsecured creditors and Inland Revenue;
- Liaised with the Liquidator
- Dealt with finance and leasing matters;
- Fulfilled our statutory obligations set out in the Receiverships Act 1993.

## 5. Particulars of assets and property disposed of

A Statement of Affairs is attached as *Appendix 1*. The following table provides a summary of the book value of the Company's assets and realisations as at the date of this report:

<i>Assets</i>	<i>Book Value</i>	<i>Realisations</i>
Funds on hand	\$434	\$434
Building, 1 Main Street, Katikati	\$480,000	\$437,000
Shop fit out	\$1,380	)
Plant and Equipment	\$23,067	) \$5,750
Motor vehicles	\$8,437	\$17,250
Stock	\$47,000	\$9,200
Income tax refund	\$10,780	
<i>Total</i>	<i>\$571,098</i>	<i>\$469,200</i>

The book value was taken from the latest available financial statements, being 31 March 2019. The building proved difficult to sell with limited interest. It had been listed with Real Estate agents prior to appointment without success and two potential buyers approached the Director, who referred them to the Receivers following which a deal was struck which included the plant and stock on site.

The motor vehicles were a 2014 Ford Ranger and a 1994 Nissan Atlas. The Ford Ranger was secured to the bank and on sale the funds went direct to the bank. The Nissan Atlas was immobile, deregistered and had very little value. It was being used as a store and was sold with the building and plant.

On appointment the Receivers established a quantity of the stock was past expiry dates and a portion of it was secured to a creditor who had registered their charge on the Personal Property Security Register. Accordingly their stock was returned, reducing the available stock for sale, but that had no impact on the overall offer for the assets that was accepted.

The tax refund relates to the draft 2019 financial statements, which the Liquidator will likely file and obtain.

## 6. Particulars of debts and liabilities

The following table provides a summary of the book value of the Company's debts and liabilities, as at the date of appointment:

<i>Liabilities</i>	<i>Book Value</i>	<i>Repayments</i>
BNZ	\$483,000	\$390,000 plus \$17,250 from motor vehicle
PPSR Creditors	\$27,960	\$1,150 *
Inland Revenue - GST	\$14,348	
Trade creditors	\$48,663	
Shareholder current account	\$160,825	
<b>Total</b>	<b>\$734,796</b>	<b>\$408,400</b>

\* In addition, stock was returned to a secured creditor, but no credit note yet received.

### Secured creditors

Monies due to the Bank total \$483,000 plus accrued interest. Amounts due relate to loan and overdraft facilities secured by way of a General Security Agreement and a charge over a motor vehicle. From repayments by the Receivers, sale of the motor vehicle and settlement by the



vehicle. From repayments by the Receivers, sale of the motor vehicle and settlement by the Guarantors, from the sale of their house, the bank have confirmed their debt has been repaid.

Full particulars of securities registered against the Company's assets are attached at **Appendix 2**.

### **Preferential creditors**

#### **Employees**

No preferential employees as the Director and family members worked in the business.

#### **Inland Revenue**

The Inland Revenue submitted a claim form for \$14,348.38 of which \$13,092.08 was preferential GST.

### **Unsecured creditors**

The process of realising the Company's assets has determined there are no funds available available for unsecured creditors. There was a small payment to the Liquidator but that will be required for preferential payments.

## **7. Summary of Receipts and Payments**

We attach as **Appendix 3** a Summary of Receipts and Payments for the Company for the period 2 October 2019 to 6 December 2019.

## **8. Ceasing to Act**

Following the sale of the assets and payment to the Bank, the Receivers sought and obtained, consent to retire, which they did, taking effect on 6 December 2019.

## **9. Contact Information**

Following the Receivers retirement, control of the company is with the Liquidator. His contact details are:

Imran Kahn  
Liquidation Management Limited  
PO Box 5544  
WELLINGTON 6145  
Telephone (04) 4996825  
Email: [Imran@liquidationmanagement.co.nz](mailto:Imran@liquidationmanagement.co.nz)

If you require any further from the Receivers, please direct enquiries to:

Karen Ragg  
BDO Tauranga Limited  
PO Box 15660  
TAURANGA 3144

Level 1  
525 Cameron Road  
TAURANGA 3110  
Telephone: 07 571 6280  
Email: karen.ragg@bdo.co.nz

Dated this 6<sup>th</sup> day of December 2019.



**Kenneth Peter Brown**  
Receiver and Manager



**Thomas Lee Rodewald**  
Receiver and Manager

*Partners and staff acting as Receivers or Administrators do so as agents of the company without personal liability.*



## APPENDICES

### Appendix 1 - Securities registered on the PPSR

**Statement of Affairs of  
Sai Bliss Limited (In Receivership)  
As at the date of the appointment of the Receivers  
being 2 October 2019**

	Estimated to realise
Assets	\$
Land and Building	480,000
Funds on hand	434
Shop Fitout	1,380
Plant and Equipment	23,067
Stock	47,000
Income Tax Refund	10,780
Vehicles	8,437
	<u>571,098</u>
<b>Less Secured Creditors:</b>	
Bank of New Zealand	483,000
AB International Limited	2,331
British American Tobacco (New Zealand) Limited	Discharged
Advaro Funding Limited	2,012
Coca-Cola Amatil (NZ) Limited	Discharged
Flexirent Capital (New Zealand) Limited	3,997
Smartpay Rental Services Limited	Discharged
Harman Impex NZ Limited	19,620
	<u>510,960</u>
<b>Less Preferential Creditors</b>	
Staff Holiday Pay & Redundancy (Gross)	0
Inland Revenue - GST	13,092
	<u>13,092</u>
<b>Deficit before unsecured creditors</b>	<u>47,046</u>
<b>Unsecured creditors</b>	
Trade Creditors exc PPSR	48,663
Inland Revenue - Penalties & Interest	1,256
Shareholder Current Account	160,825
	<u>210,744</u>
<b>Estimated deficit (subject to costs of Receivership)</b>	<u><u>(163,698)</u></u>

#### Disclaimer

This statement should be read in conjunction with the disclaimer on page one of the above Receivers 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 Receivers.

## Appendix 2 - Securities registered on the PPSR

27 Jun 2014	Bank of New Zealand - All Present and After Acquired Personal Property
11 Aug 2014	Bank of New Zealand - Goods - Motor Vehicles
05 May 2015	Coca-Cola Amatil (NZ) Limited - Goods - Other
06 Jun 2015	Advaro Funding Limited - Goods - other
24 Sep 2015	Flexirent Capital (New Zealand) Limited - Goods - Other
06 May 2016	British American Tobacco (New Zealand) Limited - Goods - Other
01 Mar 2017	Smartpay Rental Services Limited - All Present and After Acquired Personal Property
30 Mar 2019	Harman Impex NZ Limited - All Present and After Acquired Personal Property
18 Jun 2019	A B International Limited - Goods - Other; All Present and After Acquired Personal Property
01 Oct 2019	Advaro Funding Limited - Goods - Other

## Appendix 3 - Receipts and Payments

### Sai Bliss Limited (In Receivership and In Liquidation)

#### Summary of Receipts and Payments 2 October 2019 - 6 December 2019

RECEIPTS	Statement of		
	Notes	Affairs	Total (NZD)
Cash in Hand / Float	3	434.00	433.87
GST on Income			2,011.97
GST on Sale of Vehicle	1		2,250.00
Land		480,000.00	437,000.00
Miscellaneous Income	3		5.43
Motor Vehicles	1	8,437.00	
Plant & Equipment		24,447.00	5,000.00
Purchasers Share of Rates			407.74
Stock	3	47,000.00	8,000.00
Tax Refund	2	10,780.00	
			455,109.01
<b>PAYMENTS</b>			
Advertising			2,382.20
GSA Holder Payment			390,000.00
GST on Expenses			7,970.68
Insurance			854.23
Legal Fees			6,424.55
Preferential Liquidator			4,000.00
Rates			8,406.97
Receivers Contractors Fees			5,134.12
Receivers Fees			25,834.94
Secured Creditor - Advaro			1,000.00
Security Costs			259.00
Storage			50.00
Travel			112.32
Valuation Fees			2,680.00
			455,109.01
Balances in Hand			-

#### Notes

- 1 As advised in report at Point 5. Ford Ranger sold for \$17,250. Paid direct to the bank and the GST portion of \$2,250 returned to Company for including in GST return.
- 2 Tax refund relates to 2019 financial statements. Tax return to be filed by Liquidator.
- 3 These assets were available for Preferential Liquidator and Inland Revenue less costs of realisation having a balance of \$1,370.45 available plus a surplus of \$2,629.55. An amount of \$4,000 was transferred to the Liquidator.