



**CRAFT BUILDERS (NZ) LIMITED (IN LIQUIDATION)
("Company")**

Company number: 4797519

New Zealand Business Number: 9429040980706

Liquidators' 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 Craft Builders (NZ) Limited (“Company”) on 16 July 2021 at 1:54pm 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 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

The Company had been trading as a residential construction business since 2013 based in Palmerston North.

The Company had begun to get behind in GST and PAYE debts and had made an arrangement with Inland Revenue to work on paying these debts down. Unfortunately, complications related to the Covid-19 pandemic meant the Company was unable to meet the arranged payments and the debt continued to grow.

Following the receipt of a statutory demand issued by Inland Revenue, the director/shareholder sought professional insolvency advice and resolved to place the Company into liquidation.

4. Liquidators' Actions

The Liquidators met with the Company’s director at the office of the accountant to discuss the affairs of the Company. The director advised that the Company had ceased trading prior to liquidation and all employees had been terminated.

The Liquidators have liaised with 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 advertised their appointment in the relevant publications and made a call for creditor claims. The Liquidators also directly contacted all known creditors and answered any queries they may have had. The Liquidators subsequently reviewed all completed creditor claim forms received.

The Liquidators reviewed the actions of the director with consideration as to whether there were any potential breaches of appropriate sections of the Companies Act 1993. The Liquidators' investigations included interviewing the director, examining the Company's financial statements and considering the Company's bank transactions. Nothing arose from these investigations that may be of benefit to creditors of the Company.

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

Plant & Equipment

The Company owned various construction equipment and machinery with a book value of \$105,001 at 31 March 2020. Much of the equipment had been disposed of in the 2021 financial year and some of the equipment we understood was in poor condition.

A vehicle was subject to a finance charge with minimal equity available. The finance liability was transferred to the purchaser and this deduction was taken into account in the final settlement price.

The assets were all sold for \$8,500 incl GST.

Related Party Loans & Shareholder Current Account

The 2020 financial statements recorded an overdrawn shareholder's current account of \$48,982 and a related party loan of \$42,208. The liquidators entered discussions with the parties' accountant to understand the debtors' ability to repay these amounts.

The director had settled some of the Company debts personally and the related party also assumed liability of other debts. The parties, who had limited ability to meet any form of cash repayment, argued these should be offset against their debts to the Company.

A full and final settlement was reached for both amounts of \$16,500.

4.3. Creditor Claims

Secured Creditors

Two claims from PMSI secured creditors were received in respect of inventory and a printer/copier. Arrangements were made with the director to return goods as appropriate and the balance of these claims is now considered unsecured.

Preferential Creditors

The Liquidators received one preferential claim from Inland Revenue of \$89,551.75.

Unsecured Creditors

The Liquidators received two claims from unsecured creditors totalling \$57,578.84. Included in this is a claim from Inland Revenue of \$56,752.88.

This does not include residual balances from secured creditors' claims as mentioned above.

4.4. Other Matters

The preferential and unsecured creditors' claims were unable to be satisfied in full due to a shortfall in the realisation of the Company's assets.

The final remaining balance owed to creditors that filed a claim is outlined below:

- Secured creditors - \$10,970.78
- Preferential creditors - \$89,551.75
- Unsecured creditors - \$57,578.84

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:

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 17th day of November 2021



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

| Craft Builders (NZ) Limited (In Liquidation) | |
|--|---------------|
| Summary of Receipts & Payments | |
| 16 July 2021 - 17 November 2021 | |
| | \$ |
| RECEIPTS | |
| Inland Revenue - GST Refunds | 2,262 |
| Interest Received | 1 |
| Related Party Loan Settlement | 7,600 |
| Shareholder's Current Account Settlement | 8,900 |
| Sale of Assets | 8,500 |
| Total Receipts | 27,263 |
| PAYMENTS | |
| Liquidation Costs and Disbursements | 27,263 |
| Resident Withholding Tax | 0 |
| Total Payments | 27,263 |
| Cash on hand | - |



Appendix 2 - Remuneration Schedule

Craft Builder (NZ) Limited (In Liquidation)

Remuneration Report - Period: 16 July 2021 - 4 November 2021

| | 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 | 1,447.50 | 3.00 | 445.00 | 1.00 | 247.50 | 0.50 | 3,327.50 | 7.00 | - | - | 123.75 | 0.25 | 2,350.00 | 5.00 |
| Managers | 195 - 325 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Analysts | 110 - 295 | 1,518.75 | 6.75 | - | - | 392.50 | 2.00 | 731.25 | 3.25 | - | - | 337.50 | 1.50 | 337.50 | 1.50 |
| Finance / Administration | 195 | - | - | - | - | 48.75 | 0.25 | - | - | - | - | - | - | 341.25 | 1.75 |
| Support Staff | 100 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | 2,966.25 | 9.75 | 445.00 | 1.00 | 688.75 | 2.75 | 4,058.75 | 10.25 | - | - | 461.25 | 1.75 | 3,028.75 | 8.25 |

| | 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 | 3,462.50 | 7.50 | 1,980.00 | 4.00 | - | - | 1,385.00 | 3.00 | - | - | 482.50 | 1.00 | 15,251.25 | 32.25 |
| Managers | 195 - 325 | - | - | - | - | - | - | 81.25 | 0.25 | - | - | - | - | 81.25 | 0.25 |
| Analysts | 110 - 295 | 1,800.00 | 8.00 | - | - | - | - | 142.50 | 0.75 | 337.50 | 1.50 | 1,293.75 | 5.75 | 6,891.25 | 31.00 |
| Finance / Administration | 195 | 1,365.00 | 7.00 | - | - | - | - | - | - | 48.75 | 0.25 | 48.75 | 0.25 | 1,852.50 | 9.50 |
| Support Staff | 100 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | 6,627.50 | 22.50 | 1,980.00 | 4.00 | - | - | 1,608.75 | 4.00 | 386.25 | 1.75 | 1,825.00 | 7.00 | 24,076.25 | 73.00 |

| Disbursements | Costs |
|---------------|---------------|
| Advertising | 147.30 |
| Miscellaneous | 4.00 |
| Overheads | - |
| Travel Costs | 81.53 |
| Total | 232.83 |

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 \$23,706.96 (excl. GST) has been received on account for both fees and disbursements.



Appendix 3 - Notice of Intention to Remove

CRAFT BUILDER (NZ) LIMITED (IN LIQUIDATION)
Company Number: 4797519
("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 17 January 2022.

DATED this 17th November 2021

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

IAIN SHEPHARD
Liquidator