



**HAYES & ASSOCIATES LIMITED  
(IN LIQUIDATION)  
("Company")**

Company number: 644077

New Zealand Business Number: 9429038624681

**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 Hayes & Associates Limited (“Company”) on 13 August 2021 at 9.32am 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 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

Hayes & Associates Ltd (In Liquidation)		
Date of Incorporation:	3 April 1995	
Registered Office: (Prior to liquidation)	Numb1z Limited 9 Belvedere Road, Carterton 5713	
Type of Business:	Firearms dealer	
Shareholders:	Francis Neil Hayes	666 shares
	Malcolm Noakes	334 shares
Directors:	Francis Neil Hayes	
Date of Liquidation:	13 August 2021	



#### 4. Background and Reasons for Liquidation

Hayes & Associates Limited had been operating a successful firearms business in the Wairarapa region since 1995. Unfortunately, due to health condition, the Director was unable to continue operating the business.

After an enduring power of attorney (“EPA”) was appointed, and professional advice was sought, it was resolved that the Company be placed 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 statements of the Company as at 31 March 2020 and as such may be subject to change.

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

We are unaware of any current or pending proceedings to which the Company is party.

#### 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  
Hayes & Associates 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

It is too early to reliably estimate what funds, if any, will be available for preferential and unsecured creditors.

### 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 24 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 24 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 245 of the Act, for the reasons given in the formal notice attached at **Appendix 4**, we have dispensed with the meeting of creditors.

## 7. Proposals for Conducting the Liquidation

The Liquidators will liaise with the EPA and the New Zealand Police to coordinate the recovery of all Company assets. The Liquidators will comply with all safety laws and procedures when handling dangerous goods.

The Liquidators will investigate the affairs of the Company with a view to realise the available assets. As per the latest financial statements, there was \$483,850 in stock on hand - raw materials, and a company vehicle valued at \$17,037. These statements were as of 31 March 2020, and as such may be subject to change. The Liquidators do not anticipate the value of the stock on hand to amount to \$483,850, nor do the Liquidators anticipate that all stock on hand will be realisable. The Liquidators will make an assessment of the assets to determine whether any of the assets should be disclaimed as onerous.

The Liquidators will conduct an investigation of the Company's books and records to further establish if there are any potentially voidable transactions that require investigation, and further to ensure that the directors have complied with the duties and obligations imposed on them under the Companies Act 1993.

In the event that there are funds available for a distribution, the Liquidators will admit creditor claims and make a distribution.

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:

Matthew Pearn  
DDI: (+64 4) 498 3871  
Email: matthew.pearn@bdo.co.nz

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

Dated this 17<sup>th</sup> day of August 2021



**IAIN SHEPHARD**  
Liquidator

### ***Appendices***

- Appendix 1 - Statement of Affairs of the Company
- Appendix 2 - List of Company Creditors
- Appendix 3 - Public Notice of Appointment
- Appendix 4 - Notice of Liquidators Decision to Dispense with Meetings of Creditors
- Appendix 5 - Interests Statement
- Appendix 6 - Initial Remuneration Notice

## APPENDICES

### Appendix 1 - List of Company Creditors

Hayes & Associates Limited (In Liquidation)		Initial Report	
Statement of Affairs		Notes	Book value* Est. Recovery
<b>Assets subject to specific charges</b>			
Inventory	1	unknown	unknown
Less amounts due to PMSI holder	1	unknown	unknown
<b>Surplus/(shortfall) for pref creditors</b>		<b>unknown</b>	<b>unknown</b>
<b>Motor Vehicles</b>			
Motor Vehicles	2	\$17,037	unknown
Less amounts due to PMSI holder	2	(\$14,188)	unknown
<b>Surplus/(shortfall) for GSA holder(s)</b>		<b>\$2,849</b>	<b>unknown</b>
<b>Plant &amp; Equipment</b>			
Plant & Equipment	3	unknown	nil
Less amounts due to PMSI holder		(\$5,795)	unknown
<b>Surplus/(shortfall) for GSA holder(s)</b>		<b>unknown</b>	<b>unknown</b>
<b>Assets subject to GSA</b>			
Plant & Equipment		\$2,957	unknown
Surplus from assets subject to specific charges		unknown	unknown
<b>Surplus/(shortfall)</b>		<b>unknown</b>	<b>unknown</b>
Less amounts due to GSA holder(s)		(\$29,598)	unknown
<b>Surplus/(shortfall)</b>		<b>unknown</b>	<b>unknown</b>
<b>Assets available for preferential creditors</b>			
Accounts Receivable	4	\$6,600	nil
Inventory	5	\$483,850	unknown
Surplus from assets subject to specific charges		unknown	unknown
<b>Surplus/(shortfall)</b>		<b>\$599,416</b>	<b>unknown</b>
<b>Less Preferential Creditors:</b>			
Inland Revenue	6	(\$1,820)	unknown
<b>Surplus/(shortfall)</b>		<b>(\$1,820)</b>	<b>unknown</b>
<b>Surplus/(shortfall)</b>		<b>\$597,596</b>	<b>unknown</b>
<b>Less Unsecured creditors:</b>			
Trade Creditors	7	(\$37,922)	unknown
Deposits owed to creditors		(\$7,500)	unknown
Shareholders Current Account		(\$108,966)	unknown
Unsecured Loans	8	(\$207,135)	unknown
Shareholders Loan	8	(\$177,102)	unknown
Inland Revenue	6	(\$112)	unknown
<b>Surplus/(shortfall)</b>		<b>(\$538,737)</b>	<b>unknown</b>
<b>Overall surplus/(shortfall) for Creditors prior to costs of lic</b>	<b>9</b>	<b>\$58,859</b>	<b>unknown</b>

\*Based on financial statements year ended 31 March 2021 and as such may be subject to change.

The above amounts are subject to the costs of liquidation

Notes:

- 1 The Liquidators are yet to confirm whether inventory is subject to a specific charge.
- 2 The Liquidators are yet to confirm whether the vehicle is still in the Company.
- 3 This is understood to be a photocopier. The secured creditor has been contacted.
- 4 It is likely that the accounts receivable ledger as at 31 March 2020 has either been collected or written off by now.
- 5 The Liquidators do not anticipate there to be this much value in stock on hand.
- 6 These figures have been obtained from MyIR. Inland Revenue are yet to submit a claim in the liquidation
- 7 These figures have been obtained from recent bank letters and invoices received by the Company.
- 8 As aforementioned, figures obtained from the financial statements may be subject to change.
- 9 Despite what the statement of affairs indicates, the Liquidators anticipate a shortfall for creditors.

## Appendix 2 - List of Company Creditors

Creditor Name	Address 1
Accident Compensation Corporation	<a href="mailto:business@acc.co.nz">business@acc.co.nz</a>
Inland Revenue Department	<a href="mailto:insolvency.notification@ird.govt.nz">insolvency.notification@ird.govt.nz</a>
ANZ	<a href="mailto:ppsrisc1@anz.com">ppsrisc1@anz.com</a>
Kiwibank	<a href="mailto:SupportServices@kiwibank.co.nz">SupportServices@kiwibank.co.nz</a>
Westpac	<a href="mailto:Collections_Support@westpac.co.nz">Collections_Support@westpac.co.nz</a>
NUMB1Z Limited	<a href="mailto:office@numb1z.co.nz">office@numb1z.co.nz</a>
Sovereign Finance	<a href="mailto:homeloans@sovereign.co.nz">homeloans@sovereign.co.nz</a>
UDC Finance	<a href="mailto:david.harrop@udc.co.nz">david.harrop@udc.co.nz</a>
Bob Pomery	Contact details withheld
Bud Jones	Contact details withheld
John Bates	Contact details withheld
Bruce White	Contact details withheld
Robin Hewitt	Contact details withheld
Sylvia Hayes	Contact details withheld



**Appendix 3 - Public Notice of Appointment**

**HAYES & ASSOCIATES LIMITED (IN LIQUIDATION)  
COMPANY NUMBER: 644077  
("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 by a special resolution of the shareholders on 13 August 2021 at 9.32am.

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:

Matthew Pearn  
BDO Wellington, Business Restructuring  
Level 1, 50 Customhouse Quay  
Wellington 6011

Postal Address PO Box 10340  
Wellington 6143

Telephone (04) 498 3871  
Email matthew.pearne@bdo.co.nz

DATED this 13<sup>th</sup> Day of August 2021

**IAIN SHEPHARD  
Liquidator**



## Appendix 4 - Notice of Liquidators Decision to Dispense with Meetings of Creditors

HAYES & ASSOCIATES LIMITED (IN LIQUIDATION)  
COMPANY NUMBER: 644077  
("Company")

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

We, 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 of the Company by a special resolution of the shareholders on 13 August 2021 at 9.32am.

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. The Liquidators may decline a request by a creditor or a shareholder to call a meeting on the grounds that:

- a. The request is frivolous or vexatious;
- b. The request was not made in good faith;
- c. The costs of calling a meeting could be out of proportion to the value of the Company's assets.

The decision to decline a request may be reviewed by the Court on the application of any creditor, or shareholder

Notices should be forwarded to:

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

By email: [matthew.pearne@bdo.co.nz](mailto:matthew.pearne@bdo.co.nz)

DATED this 18th day of August 2021.



IAIN SHEPHARD  
Liquidator

## Appendix 5 - 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.

### i. Circumstances of Appointment:

We have been appointed by:

- a special resolution of the Company's shareholders pursuant to section 241(2)(a) the Companies Act 1993;
- no advice was provided to the Company, its officers or their advisers prior to our appointment;
- the referring entity was the Company's Director.
- no other information or advice was provided to the Company or their advisors.

### 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.
- the indemnity is provided to utilise solely in our capacity as the Liquidators of the Company, without any restrictions on our investigations;
- there are no other indemnities or upfront payments to be disclosed.

DATED this 17<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 6 – Initial Remuneration Notice

**HAYES & ASSOCIATES LIMITED (IN LIQUIDATION)**  
**COMPANY NUMBER: 644077**  
**(“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	445 - 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.
Assistant Manager	295 - 325	RITANZ member and insolvency specialist with up to four years' experience. Assists planning and control of small to medium jobs.
Senior Analyst	245 - 295	RITANZ member and insolvency specialist with up to three years' experience. Degree qualified and undertakes work stream tasks subject to supervision.
Analyst	110 - 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.