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**Heyrex Ltd (In Liquidation)**

Companies Number: 1577242

**Heyrex International Ltd  
(In Liquidation)**

Companies Number: 2150419

**Heyrex Nominees Ltd (In Liquidation)**

Companies Number: 5857434

**Liquidators' Six-Monthly Report to  
Creditors and Shareholders**

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## 1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow, RITANZ-Accredited Insolvency Practitioners of BDO Wellington, were appointed joint and several liquidators (“Liquidators”) of Heyrex Limited (“Heyrex”) by resolution of the creditors at the Watershed Meeting of Heyrex on 2 April 2019 at 2.15pm in accordance with section 241(2)(d) of the Companies Act 1993 (“the Act”).

This appointment followed a period of Voluntary Administration. Iain Shephard and Jessica Kellow were appointed Administrators to Heyrex on 26 February 2019. The first creditors’ meeting was held at the office of Crengle Shreves & Ratner on 6 March. The subsequent Watershed Meeting took place on 2 April at the office of BDO Wellington.

Iain Shephard and Jessica Kellow were also appointed joint and several liquidators of Heyrex International Limited (“Heyrex International”) and Heyrex Nominees Limited (“Heyrex Nominees”) by special resolution of the shareholders on 2 April 2019 at 4pm in accordance with section 241(2)(a) of the Act.

In accordance with section 255 of the Act we report on the affairs of both Heyrex Limited and its two wholly owned subsidiaries, Heyrex International Limited and Heyrex Nominees Limited (collectively referred to as “the Companies”) and on the conduct of the liquidation during the preceding six month period.

This report should be read in conjunction with our previous reports pursuant to section 255(2)(c) 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

Heyrex was founded in 2004 and co-ordinated the manufacturing and distribution of quality pet accessories. Prior to the appointment of administrators, Heyrex’s main focus had been sales of their ‘TORUS’ watering bowls, an automatic dispensing system purchased both domestically and in the USA and Europe. Heyrex also held various assets in respect of their wearable monitor product line. This technological offering recorded continuous data around a pet’s behaviour and was marketed to both home users and veterinary professionals.

With an increasingly competitive industry overseas, Heyrex management recognised that significant resources would be required to allow for continued development costs. The Directors looked to restructure the business model in the hopes that a concentrated approach would best address their cash flow difficulties.

Recognising the need for a further injection of capital if Heyrex were to improve its product range and secure a sufficient volume of sales, the Directors and senior management began discussions with overseas investors. Initially, all parties were confident that a deal could be reached and daily operations continued on this assumption.

Unfortunately however, continued delays in the negotiation process left Heyrex in an untenable position. Having sought professional advice, the Directors resolved to place Heyrex into voluntary administration on 26 February 2019.

During the period of Administration it was unrealistic to propose a 'Deed of Company Arrangement', and exceedingly clear that Heyrex would remain insolvent. As recommended by the Administrators, the creditors resolved to place Heyrex into liquidation at the Watershed Meeting on 2 April 2019.

As we understand it, Heyrex International managed the sales and distribution of TORUS products overseas prior to liquidation. Heyrex Nominees was established to comply with earlier restructuring efforts.

#### **4. Liquidators' Actions**

Please refer to our previous reports for full details regarding the Liquidators' actions to date.

##### **4.1 Schedule of Receipts and Payments**

Attached as **Appendix 1** is a schedule of receipts and payments for the duration of the liquidation.

##### **4.2 Asset Realisations**

###### ***Sale of Business***

As stated in previous reports, the Liquidators sold the Companies' assets and the business to Torus Pet Technologies Limited ("the Purchaser") for an agreed amount of \$100,000

An initial payment by the Purchaser of \$20,000 was made upon settlement. The agreement provided that the Purchaser make monthly payments to the Liquidators at a rate of 7.5% of the total revenue received until the remaining \$80,000 had been paid. Contributions of \$15,154.98 were made from the Purchaser toward the residual debt, however, payments had ceased for approximately one year.

A full and final settlement of \$37,500 was received following discussions with the purchaser, in respect of the remaining debt

###### ***Debtors***

The Liquidators have collected debtor payments totalling \$7,784.19 to date.

The latest financial statements indicated an accounts receivable ledger of \$92,354. Debtors are both locally and internationally based. Given the age of the debtors, their international locations and difficulties with reconciling accurate balances, the Liquidators understood the difficulty involved in collection. After several attempts to contact all debtors, the Liquidators have now written off this remaining balance in the accounts receivable ledger of \$78,494.91.

###### ***GST Refunds***

The Liquidators have received a further \$4,507.55 in GST refunds in the last reporting period making the total \$11,797.30

#### 4.3 Creditors Claims

##### *Preferential Creditors*

The Liquidators have received two preferential claims totalling \$149,600.84. Of that total, Inland Revenue submitted a claim for \$107,621.04.

##### *Unsecured Creditors*

The Liquidators have received 15 claims from unsecured creditors totalling \$1,454,752.81.

### 5. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions:

- distribute available funds (if any) to preferential and unsecured creditors;
- assessing other areas of potential recovery; and
- complying with our statutory obligations.

The Liquidators will consider further actions subsequent to additional information regarding the Companies' affairs that comes to the Liquidators' attention. Further actions will be subject to the availability of funding and an assessment of the benefits of pursuing recoveries.

### 6. 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 and shareholders will, when appropriate, advise of an estimated completion date.

### 7. Contact information

If you require any further information, please direct enquiries to:

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Dated 13 May 2021



**IAIN SHEPHARD**  
Liquidator



## APPENDICES

### Appendix 1 - Summary of Receipts & Payments

	<i>As at:</i>	14 April 2021
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<b>Receipts</b>		
Accounts Receivable		7,784.19
Inland Revenue GST Refunds		11,797.30
Interest		11.98
Proceeds Pre-Liquidation Account		939.17
Sale of Stock		85,068.22
		<hr/> 105,600.86
<b>Less Payments</b>		
Liquidators' Costs and Disbursements		93,800.80
Resident Withholding Tax		3.92
Security		196.01
		<hr/> 94,000.73
<b>Liquidators' Bank Account</b>		<hr/> 11,600.13



## Appendix 2 - Remuneration Report

### Heyrex Limited & Heyrex International Limited & Heyrex Nominees Limited (In Liquidation)

Remuneration Report - Period: 3 April 2019 - 14 April 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		
Partners	395 - 495	12,410.00	28.00	-	-	667.50	1.50	4,375.00	10.00	852.50	2.00	222.50	0.50	2,591.16	5.77
Managers	195 - 325	613.75	2.25	61.25	0.25	295.00	1.00	-	-	-	-	-	-	61.25	0.25
Analysts	110 - 295	7,721.25	38.25	988.75	4.75	5,465.00	27.00	1,166.25	6.75	2,548.75	12.75	828.75	4.25	3,192.45	15.00
Finance / Administration	195	48.75	0.25	-	-	48.75	0.25	48.75	0.25	780.00	4.00	-	-	3,266.25	16.75
Support Staff	100	-	-	-	-	-	-	-	-	150.00	1.50	25.00	0.25	25.00	0.25
		20,793.75	68.75	1,050.00	5.00	6,476.25	29.75	5,590.00	17.00	4,331.25	20.25	1,076.25	5.00	9,136.11	38.02

	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		
Partners	395 - 495	10,182.50	23.50	-	-	-	-	2,088.75	4.75	680.00	1.50	98.75	0.25	34,168.66	77.77
Managers	195 - 325	356.25	1.25	-	-	-	-	147.50	0.50	-	-	368.75	1.25	1,903.75	6.75
Analysts	110 - 295	4,777.50	28.50	245.00	1.00	1,023.75	5.25	3,198.75	15.75	48.75	0.25	5,288.75	24.25	36,493.70	183.75
Finance / Administration	195	3,510.00	18.00	-	-	-	-	-	-	-	-	-	-	7,702.50	39.50
Support Staff	100	547.25	1.13	-	-	-	-	25.00	0.25	-	-	-	-	772.25	3.38
		19,373.50	72.38	245.00	1.00	1,023.75	5.25	5,460.00	21.25	728.75	1.75	5,756.25	25.75	81,040.86	311.15

Disbursements	Costs
Advertising	301.51
Miscellaneous	745.15
Overheads	50.00
Travel Costs	18.96
<b>Total</b>	<b>1,115.62</b>

**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 \$81,565.91 (excl. GST) has been received on account for both fees and disbursements.