

**Heyrex Ltd (In Liquidation)**

Companies Number: 1577242

**Heyrex International Ltd (In Liquidation)**

Companies Number: 2150419

**Heyrex Nominees Ltd (In Liquidation)**

Companies Number: 5857434

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

## 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 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.

Heyrex Limited, Heyrex International Limited and Heyrex Nominees Limited will be collectively referred to as “Companies”.

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

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**

As discussed in further below, the Liquidators entered into a sale and purchase agreement with Torus Pet Technologies Limited for the assets and business of Heyrex for an agreed amount of \$100,000.

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 Companies financial statements and considering the Companies bank transactions. Nothing arose from these investigations that may be of benefit to creditors of the Companies.

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. No funds were remitted in the liquidations of either Heyrex International Limited and Heyrex Nominees Limited, and as such, no receipts and payments have been prepared.

Attached as **Appendix 2** is a remuneration schedule covering 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, following covid-19 payments 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 \$13,718.85 to date.

The latest financial statements indicated an accounts receivable ledger of \$92,354. 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 received \$12,533.12 in total from Inland Revenue GST refunds.

### **4.3. Creditor Claims**

#### ***Preferential Creditors***

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

The Liquidators made one distribution of 29 cents in the dollar to a preferential creditor for a gross amount of \$7,000.

#### ***Unsecured Creditors***

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

### **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:

Preferential creditors - \$142,600.84

Unsecured creditors - \$1,454,752.81

## **5. Liquidators' Statement**

All known assets have been disclaimed, or realised, or distributed without realisation.

All proceeds of realisation have been distributed.

The Companies are 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 Companies will be 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 Companies 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 Building  
50 Customhouse Quay  
Wellington

Dated this 27th day of July 2021



**IAIN SHEPHARD**  
Liquidator

## APPENDICES

### Appendix 1 - Statement of Receipts and Payments

Heyrex Limited (In Liquidation)	
Summary of Receipts & Payments	
2 April 2019 - 27 July 2021	
	\$
<b>ADMINISTRATION SURPLUS</b>	
Opening Bank Balance Upon Liquidation	3381
<b>RECEIPTS</b>	
Accounts Receivable	13719
Inland Revenue - GST Refunds	12553
Inland Revenue - GST Refund - Yet to be Received	184
Interest Received	13
Sale of Business	72655
Sale of Stock	4037
<b>Total Receipts</b>	<b>106542</b>
<b>PAYMENTS</b>	
Net Distribution to Employee	4480
Liquidation Costs and Disbursements	99132
PAYE	2730
Resident Withholding Tax	4
Security	196
<b>Total Payments</b>	<b>106542</b>
Cash on hand	-



## Appendix 2 - Remuneration Schedule

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

Remuneration Report - Period: 2 April 2019 - 27 July 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	12,905.00	29.00	-	-	667.50	1.50	4,375.00	10.00	852.50	2.00	346.25	0.75	2,657.16	5.90
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	5,966.25	30.25	1,166.25	6.75	2,548.75	12.75	1,166.25	5.75	3,470.00	17.00
Finance / Administration	195	48.75	0.25	-	-	48.75	0.25	48.75	0.25	780.00	4.00	-	-	3,705.00	19.00
Support Staff	100	-	-	-	-	-	-	-	-	150.00	1.50	25.00	0.25	25.00	0.25
		21,288.75	69.75	1,050.00	5.00	6,977.50	33.00	5,590.00	17.00	4,331.25	20.25	1,537.50	6.75	9,918.41	42.40

	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	10,430.00	24.00	-	-	-	-	2,336.25	5.25	-	-	778.75	1.75	35,348.41	80.15
Managers	195 - 325	356.25	1.25	-	-	-	-	147.50	0.50	-	-	368.75	1.25	1,903.75	6.75
Analysts	110 - 295	4,924.99	24.13	245.00	1.00	1,023.75	5.25	3,198.75	15.75	48.75	0.25	5,842.50	29.00	38,311.24	190.88
Finance / Administration	195	4,095.00	21.00	-	-	-	-	-	-	-	-	-	-	8,726.25	44.75
Support Staff	100	547.25	5.13	-	-	-	-	25.00	0.25	-	-	-	-	772.25	7.38
		20,353.49	75.51	245.00	1.00	1,023.75	5.25	5,707.50	21.75	48.75	0.25	6,990.00	32.00	85,061.90	329.91

Disbursements	Costs
Advertising	658.88
Miscellaneous	747.15
Overheads	50.00
Travel Costs	18.96
<b>Total</b>	<b>1,474.99</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 \$86,201.53 (excl. GST) has been received on account for both fees and disbursements.



### Appendix 3 - Notice of Intention to Remove

HEYREX LIMITED, HEYREX INTERNATIONAL LIMITED & HEYREX NOMINEES LIMITED (IN LIQUIDATION)  
Company Numbers: 1577242, 2150419 & 5857434  
("the Companies")

**Notice of Intention to Remove Companies 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 Companies whose registered office is situated at:

BDO Wellington  
PO Box 10340  
Level 1, Chartered Accountants House,  
50 Customhouse Quay,  
Wellington 6143

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 Companies 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 8 September 2021.

DATED this 5<sup>th</sup> Day of August 2021.

A handwritten signature in black ink, appearing to read 'Iain Shephard'. The signature is stylized and cursive.

**IAIN SHEPHARD**  
Liquidator