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**COMPASS HOMES (RODNEY) LIMITED
(IN LIQUIDATION)**

Company number: 5744568

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

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1. Introduction

Compass Homes (Rodney) Limited (In Liquidation) (“the Company”) was placed into liquidation by special resolution of the shareholders on the 6th day of June 2019 at 9.00am. Kenneth Peter Brown and Paul Thomas Manning, both Chartered Accountants and Accredited Insolvency Practitioners of Tauranga, were appointed as Joint and Several Liquidators of the company.

In accordance with section 255 of the Act we report on the Company’s affairs together with our proposals for conducting the liquidation.

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

Date of Incorporation:	9 July 2015	
Type of business:	Residential Builders	
Date trading ceased:	December 2018	
Shareholder:	Compass Homes Contracts Limited	Number of Shares: 10,500
Director:	Garry John Shuttleworth	

4. Background and reasons for liquidation

This company was originally a joint venture. A dispute which went to mediation led to the current shareholder purchasing the shares outright. Upon receiving all financial information it was found that the company was insolvent. A creditors meeting was held but no agreement could be reached and after discussions with various advisers a decision to liquidate the company was made.

Attached as **Appendix 1** is the Declaration of Independence, Relevant Relationships and Indemnities.

5. Statement of affairs

Attached at **Appendix 2** is the Statement of Affairs of the Company. This statement has been prepared based upon financial statements of the Company as at the date of our appointment and as such may be subject to change.

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

6. Creditors

List of creditors

Attached as **Appendix 3** is a full list of the names and addresses of creditors in accordance with section 255(2)(c)(ii)(C) of the Act.

Unsecured creditor claims

We attach as **Appendix 4** our Public Notice which sets 19 July 2019 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 the Unsecured Creditor's Claim form attached as **Appendix 5** and return to us at the following address or by fax or email:

The Liquidators
Compass Homes (Rodney) Limited (In Liquidation)
C/- BDO Tauranga Limited
PO Box 15660
TAURANGA 3144
Email: denise.cooper@bdo.co.nz
Fax: (07) 571 6281

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

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 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 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.

Creditors meeting

In accordance with section 245 of the Act, for the reasons given in the formal notice attached at Appendix 6, we have dispensed with the meeting of creditors.

7. Proposals for conducting the liquidation

Code of Compliance on two houses which have been completed needs to be achieved. Some creditors have not yet supplied PS4s due to outstanding payment and these need to be addressed. The Liquidators will then collect the outstanding retentions.

The Liquidators will also review the Company's books and records to establish if there are any potentially voidable transactions, review work in progress that was taken over by the previous owners, check if there are any potential shareholder current account issues and ensure the Director has complied with the duties and obligations imposed on him under the Companies Act 1993.

The Liquidators will then seek to have the Company removed 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 six monthly reports to creditors will, when appropriate, advise of an estimated completion date.

9. Contact information

If you require any further information or if you have any information that will be of assistance to the Liquidators, please direct enquiries to:

Denise Cooper
Phone: 07 571 6280
Email: denise.cooper@bdo.co.nz

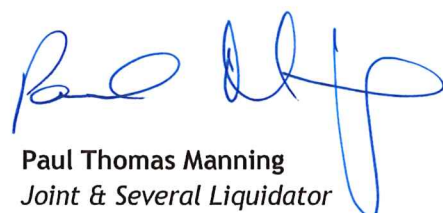
BDO Tauranga Limited
PO Box 15660
TAURANGA 3144

Level 1
525 Cameron Road
TAURANGA 3110

Dated this 10 June 2019



Kenneth Peter Brown
Joint & Several Liquidator



Paul Thomas Manning
Joint & Several Liquidator

APPENDICES

Appendix 1 -

Declaration of Independence, Relevant Relationships and Indemnities

COMPASS HOMES (RODNEY) LIMITED (IN LIQUIDATION)
Reg No: 5744568 ("COMPANY")

This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - i the circumstances of the appointment;
 - ii any relationships with the Company and others within the previous 24 months;
 - iii any prior professional services for the Company within the previous 24 months;
 - iv that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our co-directors and BDO Tauranga Limited.

A. Independence

We, Kenneth Peter Brown and Paul Thomas Manning, of BDO Tauranga Limited have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint Liquidators of the Company in accordance with the law, RITANZ Code of Conduct and applicable professional standards. This assessment identified no real or potential risks to our independence. We have evaluated the significance of any real or potential risk to Independence and taken such action as is necessary to preserve the Practitioner's Independence. In all cases, we are not otherwise aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of Relationships

i Circumstances of appointment

This appointment was referred to us by Duncan Cook of Sharp Tudhope Lawyers, a Company advisor.

We had the following pre-appointment correspondence and telephone discussions regarding the matter:

- On 17 April 2019 Duncan Cook telephoned Kenneth Brown and advised the Company situation. A conflict check was undertaken.
- On 14 May 2019 Duncan Cook rang and advised a decision to liquidate had been made.
- Resolutions were emailed to Duncan Cook on 22 May 2019.
- On 30 May 2019 Denise Cooper (BDO staff member) had a phone conversation with Duncan Cook regarding signed documents and an indemnity. An indemnity document was emailed.

- Signed resolutions and indemnity were received by our office on 6 June 2019. We believe that this referral does not result in a conflict of interest or duty because:
- It is recognised there is a need for practitioners to provide advice on an insolvency process and the options available for the Company. It is not considered that such advice results in a conflict or is an impediment to accepting the appointment;
- The nature of the advice provided during the telephone conversations is such that it would not be subject to review and challenge during the course of our appointment; and
- The pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with our appointment in an objective and impartial manner.

ii Relevant Relationships (excluding Professional Services to the Insolvent)

Other than disclosed herein, neither we, nor our firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over on the whole or substantially whole of the Company's property.

There are no other prior professional or personal relationships that should be disclosed.

iii Prior Professional Services to the Insolvent

Neither we, nor our Firm, have provided any professional services to the Company in the previous 24 months, other than those outlined herein.

iv No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to Compass Homes (Rodney) Limited or any person or entity that has a valid and enforceable security interest on the whole or substantially the whole of the Company's property that should be disclosed.


C. Indemnities and up-front payments

We have been provided with a fee indemnity of \$7,500 + GST for the conduct of this liquidation.

Dated: 6 June 2019



.....
KENNETH PETER BROWN



.....
PAUL THOMAS MANNING

Appendix 2 - Statement of affairs

Statement of Affairs as at the date of the appointment of the Liquidators being 6 June 2019	
	Estimated to realise
Assets	\$
Funds on hand Pre Liquidation	1,376
Debtors	3,170
Retentions	38,127
Compass Homes Licence	<i>Nil</i>
	42,673
Less Secured Creditors:	
Fletcher Distribution Limited	<i>Unknown</i>
Sharp Corporation of New Zealand Limited	<i>Discharged</i>
Kitchen Things NZ Limited	5,873
Fletcher Concrete and Infrastructure Limited	<i>Nil</i>
Dayle Timber Limited	<i>Unknown</i>
AJ Electrical Services Limited	10,710
	16,583
Less Preferential Creditors	<i>None</i>
Surplus before unsecured creditors	26,090
Unsecured creditors:	
Loans - Shareholders & Related Entities	158,973
Trade Creditors excluding PPSR Charges	383,820
	542,793
Estimated deficit (subject to costs of Liquidation)	(516,703)
Disclaimer	
<p>This statement should be read in conjunction with the disclaimer on page one of the above Liquidators 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 Liquidators.</p>	

Appendix 3 - List of creditors

Name	Address 1	Address 2	Address 3
AJ Electrical Services Limited	PO Box 111	Red Beach	Auckland 0932
Attwood Plasterers Limited	55B Pionerr Lane	RD1, Kumeu	Waitakere 0618
Battenman Auckland Limited	1391 Waiuku Rd	RD1, Waiuku	Auckland 2681
Carpet Mill	PO Box 10132	Te Rapa	Hamilton 3241
Casa Ceramica Limited	PO Box 35353	Browns Bay	Auckland 0753
Central Vacuum Systems Limited	11B Sharon Road	Waiake	Auckland 0630
Compass Homes Limited	PO Box 510		Rangiora 7440
Connoisseur Kitchens Limited	PO Box 8894	Riccarton	Christchurch 8440
Continuous Spouting Auckland Limited	PO Box 151	Takanini	Auckland 2245
Coulthard Quantity Surveying Limited	8 Old Mill Road		Silverdale 0932
Dayle Timber Limited	PO Box 71 048	Rosebank	Auckland 1348
Fletcher Concrete and Infrastructure	Private Bag 92058		Auckland
Fletcher Distribution Limited	PO Box 84286	Westgate	Waitakere 0657
Foundations Unlimited Limited	PO Box 54		Paraparaumu 5254
Garry Shuttleworth	4 Trecarne Street	Karaka	Papakura 2113
Gerard Roofs	PO Box 18071	Glen Innes	Auckland 1743
Global Linings Limited	PO Box 26110	Epsom	Auckland 1344
Hibiscus Heatpumps & Airconditioning	PO Box 741		Orewa 0946
Hulme Aluminium Joinery Limited	16B Keeling Road	Henderson	Auckland 0612
Huntly Door Systems Limited	PO Box 170		Huntly 3740
Image Glass Limited	45a Ben Lomond Crescent	Pakuranga	Auckland 2010
In Concrete Limited	PO Box 308114	Manly	Whangaparaoa
Independant Ceramics	PO Box 54162	The Marina	Auckland 2144
Ingham Mora	PO Box 222		Tauranga 3144
Kalista Ltd - TA Green Gorilla	PO Box 13 827	Onehunga	Auckland 1643
Kitchen Things NZ Limited	Private Bag 92-900	Onehunga	Auckland 1061
Kumeu Plumbing Limited	PO Box 128	Kumeu	Auckland 0841
Metalmen Engineering Limited	Unit 5, 156B Main Road	Kumeu	Auckland 0841
Muster Brush	musterbrush.sam@gmail.com		
Nice Painting Company	97 Pigeon Valley Road	Wakefield	Nelson 7025
PCP Management Limited	P O Box 305542	Triton Plaza	Auckland 0757
Prestige Bathrooms Limited	231 Khyber Pass Road	Grafton	Auckland 1023
Prestige Home Groomers	P O Box 251 317	Pakuranga	Auckland 2140
Pro Wash Limited	16 Lincoln Park Ave	Massey	Auckland 0614
Reflection Treatment Systems Ltd	948 State Highway 16	Waimauku	Auckland 0812
RGP Builders Limited	3 Pengelly Place	Parakai	Parakai 0830
Riddington Builders Limited	29 Merani Street	Narrow	Auckland 0622
Scaftech Limited	49 Albacore Way	Maraetai	Auckland 2018
Sharp Corporation of NZ Limited	PO Box 12244	Penrose	Auckland 1642
Slab Specialists Limited	PO Box 58326	Botany	Auckland 2163
Solid Wall Systems NZ Limited	PO Box 15432		Tauranga 3144
Taylormade Wardrobes Limited	61 Ladies Mile	Manly	Whangaparaoa
The Smart Hot Water Co	PO Box 80093	Green Bay	Auckland 0643
Waihaha Ltd (Supacity Doors)	PO Box 76318	Manukau	Auckland 2241
Waikato Aluminium Limited	PO Box 174		Matamata 3440



Appendix 4 - Public notice of appointment

COMPASS HOMES (RODNEY) LIMITED (IN LIQUIDATION)
COMPANY NUMBER 5744568
("the 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

Kenneth Peter Brown and Paul Thomas Manning, both Chartered Accountants and Accredited Insolvency Practitioners of Tauranga, were appointed joint and several liquidators of the Company by special resolution of the shareholders on 6 June 2019 at 9:00am.

NOTICE is hereby given that as joint and several liquidators of the Company, we fix 19 July 2019, 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 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:

Denise Cooper

Postal Address BDO Tauranga Limited
 PO Box 15660
 Tauranga 3144

Telephone (07) 571 6280
Facsimile (07) 571 6281
Email denise.cooper@bdo.co.nz
 <http://www.bdo.co.nz/>

Dated this 10 June 2019

Kenneth Peter Brown
Joint & Several Liquidator



Appendix 5

UNSECURED CREDITORS CLAIM FORM

Section 304(1) Companies Act 1993

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL Principal Contact: E-mail Address: Telephone Number: My Reference is: (if applicable)	* Any personal information collected is for the purpose of administering the claims in accordance with the Companies Act 1993. The information will be used and retained by BDO Tauranga Limited and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993. Any claim by an unsecured creditor against a company in a liquidation must be in this prescribed form and must - (a) Contain full particulars of the claim; and (b) Identify any documents that evidence or substantiate the claim. You may have access to and request correction of any personal information. (* Not applicable if creditor is not an individual entity within the meaning of the Privacy Act 1993)
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NAME OF COMPANY: **Compass Homes (Rodney) Limited(In Liquidation)**

I, (Name).....
 (If claim is made on behalf of creditor, specify relationship to creditor and authority)

claim that the company was at the date of liquidation indebted to the above named creditor for the sum of (Amount in words and figures):

.....
 \$.....

STATUS OF CLAIM:

1. I hold no security for the claimed amount 2. I am surrendering the security I hold and I am claiming as an unsecured creditor 3. I am making a preferential claim (Refer details on reverse) 4. I am claiming reservation of title rights pursuant to rights held by me (Refer details on reverse)	TICK <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.
 (The liquidators may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required** to attach any supporting documents at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED: _____ Date: _____

Warning	It is an offence under Section 304(6) of the Companies Act 1993 to - Make, or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular
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Received (Date Stamp)	<p>RESERVED FOR OFFICE USE: <u>Claim admitted/rejected for voting purposes:</u> <input type="text"/> Signed: <input type="text"/> Date: <input type="text"/></p> <p><u>CLAIM REJECTED FOR PAYMENT:</u> Preferential Claim for: Ordinary Claim for</p> <p style="text-align: center;">\$ <input type="text"/> \$ <input type="text"/></p> <p>or</p> <p><u>CLAIM ADMITTED FOR PAYMENT:</u> Preferential Claim for: Ordinary Claim for</p> <p style="text-align: center;">\$ <input type="text"/> \$ <input type="text"/></p> <p style="text-align: center;"><input type="text"/> Signed Liquidator: <input type="text"/> Dated</p>
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PARTICULARS OF CLAIM

If the creditor owes money to the company, please give full details

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$
	<p><i>If applicable, less any purchase money security interests in relation to goods supplied by creditor to the company [Describe goods]</i></p> <p><i>If applicable, less debts owed by creditor to the company [Describe goods]</i></p> <p>RETENTION OF TITLE CLAIMANTS ONLY Please provide details of the basis of your retention of title claim and furnish a copy of the documentation showing that such reservation of title clause is a condition of contract.</p>	

PREFERENTIAL CLAIMANTS ONLY

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority.

1. Are you claiming the full amount of your claim as preferential? Yes / No
2. If no, what part of the claim is preferential? \$.....
3. Why do you believe you are a preferential creditor?
(eg. Employee, IRD, NZ Customs).....
4. Details of your claim:.....

If applicable please record here your GST Registration number:

And total GST included in your claim: \$.....

**Return to: BDO Tauranga Limited
PO Box 15660, Tauranga 3144
Or email: denise.cooper@bdo.co.nz**

Appendix 6

COMPASS HOMES (RODNEY) LIMITED (IN LIQUIDATION)
COMPANY NUMBER 5744568
("the Company")

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

Kenneth Peter Brown and Paul Thomas Manning, both Chartered Accountants and Accredited Insolvency Practitioners of Tauranga, were appointed joint and several liquidators of the Company by special resolution of the shareholders on 6 June 2019 at 9:00am.

We do not consider that a meeting of creditors should be held because there has previously been a meeting of creditors prior to liquidation and 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.

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. However the liquidators reserve the right to not hold a meeting if it is felt the request is frivolous or there are no available funds to cover the costs involved.

Notices should be forwarded to:

Postal Address	BDO Tauranga Limited PO Box 15660 Tauranga 3144
Telephone	(07) 571 6280
Facsimile	(07) 571 6281
Email	denise.cooper@bdo.co.nz http://www.bdo.co.nz/

Dated this 10 June 2019



Kenneth Peter Brown
Joint & Several Liquidator