



**Rongonui Enterprises Limited
(In Liquidation)**

Trading as Dream Doors Wellington

Company Number: 6145053

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



1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow, RITANZ accredited insolvency practitioners, were appointed joint and several liquidators (“Liquidators”) of Rongonui Enterprises Limited (now In Liquidation) (“the Company”) by special resolution of the shareholders on 11 April 2018 in accordance with section 241 (2)(a) of the Companies Act 1993 (“the Act”).

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

Rongonui Enterprises Limited (In Liquidation) - trading as Dream Doors Wellington

Date of Incorporation:	4 November 2016
Registered Office:	TFS Chartered Accountants Limited
<i>(Prior to liquidation)</i>	214 Main Road Tawa Wellington 5028
Type of Business:	Kitchen Renovation and Installation
Shareholders:	Philip William Rongonui [50 shares] Pearl Rongonui [50 shares]
Directors:	Philip William Rongonui
Date of Liquidation:	11 April 2018

4. Background and reasons for liquidation

Rongonui Enterprises Limited (now In Liquidation) (“the Company”) traded as Dream Doors Wellington. The Company was incorporated in November 2016 and entered into a franchise agreement in December 2016 to operate the Wellington franchise of the international ‘Dream Doors’ brand; a franchise that specialised in the remodelling and renovation of kitchens.

While the Company had a sufficient level of work during the course of its operation (including a number of forward contracts) the Liquidators understand that the Company was underquoting its work to clients. In many instances client contracts were unprofitable and the Company was carrying out the work at a loss. The Company was supported by shareholder advances.

Concerned with the Company’s financial position going forward, the franchisor wrote to the Company in early April 2018 requesting evidence of the Company’s solvency. With no ability to provide such evidence, the franchisor terminated the franchise agreement on 10 April 2018. Unable to continue trading under the ‘Dream Doors’ pursuant to the franchise agreement, the shareholders sought professional advice and resolved to appoint liquidators.

Please note, the liquidation of the Company does not affect the operation of other Dream Doors franchises, trading either in Wellington or in other areas around New Zealand.

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 the date of liquidation and as such may be subject to change.

In preparing the statement we have relied on information provided by the director and shareholders 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 2** 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 3** our Public Notice which sets 23 May 2018 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 4** and return to us at the following address or by email:



The Liquidators
Rongonui Enterprises Limited (In Liquidation)
C/- BDO Wellington
PO Box 10340
Wellington 6143

Email: brad.burness@bdo.co.nz

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 5**, we have dispensed with the meeting of creditors.

7. Proposals for conducting the liquidation

The Company's tangible assets consist of its tools and equipment, show kitchens and a Toyota van. All assets are subject to a general security agreement from ANZ Bank. The Liquidators will sell these assets and account to the ANZ for the proceeds of the sale. The Company also has an accounts receivable ledger of approximately \$14,000 that the Liquidators will pursue.

The Liquidators understand that the Company had received 50% deposits from a number of clients for the installation of kitchens; these deposits total approximately \$41,710. The Company had been placed on “stop credit” by a number of its primary suppliers prior to liquidation and as such no orders were placed by the Company. The Company has no ability to carry out these contracts and these clients are unsecured creditors in the liquidation. The Liquidators understand that the franchisor may make arrangements with these clients in respect of the deposits paid.

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 director has complied with the duties and obligations imposed on him 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 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 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:

Brad Burness
DDI: (+64 4) 555 0728
Email: brad.burness@bdo.co.nz

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

Dated this 17th day of April 2018



JESSICA KELLOW
Liquidator

APPENDICES

Appendix 1 - Statement of Affairs

Rongonui Enterprises Limited (In Liquidation)
Statement of Affairs at 11 April 2018

	Notes	Book value*	Est. Recovery
<u>Assets subject to GSA/Debenture</u>			
Motor Vehicles		8,550	7,000
Tools		1,962	1,000
		10,512	8,000
<i>Less amounts due to GSA holder</i>		245,275	245,275
Surplus/(shortfall) (subject to the costs of liquidation)		(234,763)	(237,275)
<u>Assets available for preferential creditors</u>			
Accounts Receivable		14,603	12,000
Inventory		12,445	10,000
		27,048	22,000
<i>Less Preferential Creditors:</i>			
Employees (estimated)	1		5,000
IRD (estimated)	2		5,000
			10,000
Surplus/(shortfall) (subject to the costs of liquidation)			12,000
<i>Less Unsecured creditors:</i>			
Trade Creditors			41,660
Deposit Creditors			41,710
Employee unsecured claims			6,000
Shareholder Advances			69,298
			(158,668)
Overall surplus/(shortfall) for Creditors prior to costs of liq.			(383,943)

**Based on information provided by the Company's director and the draft financial statements to 31 January 2018.
The above amounts are subject to the costs of liquidation.*

Notes:

- 1 This is an estimate; we await confirmation from the Company's accountants.
- 2 We await a formal claim from Inland Revenue.

Appendix 2 - List of Creditors

Creditor Name	Address 1	Address 2	Address 3
AB Joinery	13 Fraser Street	Wainuiomata	Lower Hutt 5013
Accident Compensation Corporation	Debt Management Unit	PO Box 3248	Wellington
ANZ Bank New Zealand Limited	Private Bag 92210	Victoria St West	Auckland 1142
Dezignatek Limited	PO Box 258035	Botany	Manuakau 2163
Genesis Energy Limited	Private Bag 3131	Waikato Mail Centre	Hamilton 3240
Inland Revenue Department	PO Box 39010	Wellington	
Noel Leeming Group	PO Box 91146	Auckland	
Panelform Industries	49 Vickerys Road	Sockburn	Christchurch
Wellington Benchtops (2017) Limited	225 Cambridge Terrace	Naenae	Lower Hutt 5011

Employees

Angela Rongoui	<i>Contact Details Withheld</i>
Marc Hastie	<i>Contact Details Withheld</i>
Marcel van den Bos	<i>Contact Details Withheld</i>
Philip Rongonui	<i>Contact Details Withheld</i>
Vikram Kumyai	<i>Contact Details Withheld</i>

Deposit Clients

Adam Dearsley & Laura Gjelstad	<i>Contact Details Withheld</i>
Barbara Bridger	<i>Contact Details Withheld</i>
Carol Reed	<i>Contact Details Withheld</i>
Hamish and Fiona Hunter	<i>Contact Details Withheld</i>
Julie O'Toole	<i>Contact Details Withheld</i>
Mark Topham	<i>Contact Details Withheld</i>
Rob Taylor	<i>Contact Details Withheld</i>
Russell Ward	<i>Contact Details Withheld</i>
Sean & Alexis O'Connor	<i>Contact Details Withheld</i>

Work in Progress Clients

Aaron Graham	<i>Contact Details Withheld</i>
Gerard O'Hara	<i>Contact Details Withheld</i>



Appendix 3 - Public notice of appointment

**RONGONUI ENTERPRISES LIMITED
COMPANY NUMBER 6145053
Trading as Dream Doors Wellington**

(“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**

Iain Bruce Shephard and Jessica Jane Kellow, RITANZ Accredited Insolvency Practitioners of BDO Wellington, were appointed liquidators of the Company by a special resolution of the shareholders on the 11th day of April 2018.

NOTICE is hereby given that as liquidators of the Companies, we fix 23 May 2018, 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:

Brad Burness
BDO Wellington, BRI
Level 1, 50 Customhouse Quay
Wellington 6011

Postal Address PO Box 10340
Wellington 6143

Telephone 04 555 0728
Email brad.burness@bdo.co.nz

DATED this 11 April 2018.

JESSICA KELLOW
Liquidator

Note: The liquidation of Dream Doors Wellington has no impact on the trading of Dream Doors Wellington West.



Appendix 4

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 Wellington at Level 1, Chartered Accountants House, 50 Customhouse Quay, Wellington 6011 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: Rongonui Enterprises Limited (In Liquidation) - trading as Dream Doors Wellington

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 of reverse)	TICK <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:
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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:</p> <p>Claim admitted/rejected for voting purposes: <input type="text" value="Signed:"/> <input type="text" value="Date"/></p> <p>(Delete one)</p> <table style="width:100%;"> <tr> <td style="width:33%;"><u>CLAIM REJECTED FOR PAYMENT:</u></td> <td style="width:33%;">Preferential Claim for:</td> <td style="width:33%;">Ordinary Claim for</td> </tr> <tr> <td></td> <td style="text-align: center;"><input type="text" value="\$"/></td> <td style="text-align: center;"><input type="text" value="\$"/></td> </tr> <tr> <td colspan="3" style="text-align: center;">or</td> </tr> <tr> <td><u>CLAIM ADMITTED FOR PAYMENT:</u></td> <td>Preferential Claim for:</td> <td>Ordinary Claim for</td> </tr> <tr> <td></td> <td style="text-align: center;"><input type="text" value="\$"/></td> <td style="text-align: center;"><input type="text" value="\$"/></td> </tr> </table> <table style="width:100%; margin-top: 10px;"> <tr> <td style="width:60%;"><input type="text" value="Signed Liquidator:"/></td> <td style="width:40%;"><input type="text" value="Dated"/></td> </tr> </table>	<u>CLAIM REJECTED FOR PAYMENT:</u>	Preferential Claim for:	Ordinary Claim for		<input type="text" value="\$"/>	<input type="text" value="\$"/>	or			<u>CLAIM ADMITTED FOR PAYMENT:</u>	Preferential Claim for:	Ordinary Claim for		<input type="text" value="\$"/>	<input type="text" value="\$"/>	<input type="text" value="Signed Liquidator:"/>	<input type="text" value="Dated"/>
<u>CLAIM REJECTED FOR PAYMENT:</u>	Preferential Claim for:	Ordinary Claim for																
	<input type="text" value="\$"/>	<input type="text" value="\$"/>																
or																		
<u>CLAIM ADMITTED FOR PAYMENT:</u>	Preferential Claim for:	Ordinary Claim for																
	<input type="text" value="\$"/>	<input type="text" value="\$"/>																
<input type="text" value="Signed Liquidator:"/>	<input type="text" value="Dated"/>																	



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 align="center"><i>If applicable, less any purchase money security interests in relation to goods supplied by creditor to the company [Describe goods]</i></p> <p align="center"><i>If applicable, less debts owed by creditor to the company [Describe goods]</i></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 Wellington Ltd
PO Box 10340
Wellington 6143



Appendix 5

**RONGONUI ENTERPRISES LIMITED (IN LIQUIDATION)
COMPANY NUMBER 6145053
Trading as Dream Doors Wellington
("the 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 were appointed joint and several liquidators ("Liquidators") of the Company by special resolution of the shareholders on 11 April 2018.

After having regard to the assets and liabilities of the Company, the likely result of the liquidation and other relevant matters, the liquidators, in accordance with Section 245 of the Companies Act 1993, have decided to dispense with a meeting of 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.

Notices should be forwarded to:

Brad Burness
BDO Wellington
PO Box 10340
Wellington 6143

By email: brad.burness@bdo.co.nz

DATED this 30th day of April 2018.

JESSICA KELLOW
Liquidator