



**MCDOUALL STUART SECURITIES LIMITED
(IN LIQUIDATION)
("Company")**

Company number: 1185224

New Zealand Business Number: 9429036644575

Liquidators' Six-Monthly 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 McDouall Stuart Securities Limited (“Company”) on 16 April 2019 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 are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six-month period. This report should be read in conjunction with our previous report(s) 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

McDouall Stuart Securities Limited (In Liquidation) (“the Company”) previously operated as investment brokers, however, the Liquidators understand that all trading ceased several years ago.

The Liquidators have received judgment of the Employment Relations Authority in favour of 13 former employees in respect of unpaid wages, accrued interest payments, and awards for costs.

The appointment of the Liquidators follows the liquidation of McDouall Stuart Group Ltd (“MSG”) on 19 February 2019. With a majority shareholding the liquidators of MSG resolved to place the subsidiary into liquidation.

4. Conduct of the Liquidation in the Reporting Period

4.1. Liquidation of the Company

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 have liaised with many 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 have met with Andrew McDouall to discuss the trading history of the Company. It is apparent that many of the transactions that would be subject to liquidators’ scrutiny are outside of the statutory timeframes.

4.2. Schedule of Receipts and Payments

No funds have been remitted through the liquidation.

4.3. Creditor Claims

Preferential Creditors

We have received preferential claims totalling \$627,487.60 including employee claims and Inland Revenue core debt.

Unsecured Creditors

Unsecured creditor claims total \$88,585, which includes court-awarded interest on employees' wages owed, as well as penalties associated with the Inland Revenue preferential debt.

5. Statement of Affairs and Interests Statement

Attached as **Appendix 1** is an interests statement in accordance with section 255A and 255(2)(d)(ii) of the Act.

6. Further Proposals for Completing the Liquidation

The Liquidators propose to take the following further actions:

- Continue a review of the actions of the director and advisors of the Company and any potential claim that may exist against them; and
- Complying with our statutory obligations

Further actions will be subject to the availability of funding and an assessment of the benefits of pursuing recoveries.

7. 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.

8. Contact Information

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

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Level 1, Chartered Accountants House,
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Dated this 8th day of April 2022



JESSICA KELLOW
Liquidator

APPENDICES

Appendix 1 - Interests Statement

(Pursuant to section 255A of the Companies Act 1993)

This Interests Statement is to be read in conjunction with the Liquidators' previous Interests Statement in their previous report(s).

We, Iain Bruce Shephard and Jessica Jane Kellow, Licensed Insolvency Practitioners of BDO Wellington, (Registration Numbers: IP71 and IP75 respectively), declare that:

- We have made the appropriate inquiries that are required for ensuring that this Interests Statement is complete; and
- Since the date of our previous Interests Statement, we confirm that we have not become aware of any additional circumstance, relationship, or other fact that creates, or could reasonably be perceived as creating, a conflict of interest in relation to the independence of our role as Liquidators.

DATED this 8th day of April 2022



IAIN BRUCE SHEPHARD
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP71



JESSICA JANE KELLOW
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP75