



MILESTONE MOTOR CARZ LIMITED (IN LIQUIDATION) ("Company")

Company number: 6152728

New Zealand Business Number: 9429043412624

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 Milestone Motor Carz Limited (“Company”) on 10 September 2021 at 10:26am by order of the High Court at Auckland on the application of Provident Insurance Corporation Limited in accordance with section 241(2)(c) 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

The Company began trading as a used motor vehicle dealer and importer of Japanese vehicles in 2016 following the collapse of the previous trading entity, Milestone Motors Limited that was liquidated between 2017 and 2019. The liquidators’ reports for Milestone Motors Limited appear to indicate that no arrangement was made for the sale of the business to the Company nor any phoenix company arrangement made despite it being evident the underlying business continued.

On 18 September 2020 an employee, or other authorised person of the Company, crashed one of the vehicles into another vehicle causing damage. The Company was taken to the disputes tribunal by the insurer and judgment was given in favour of the insurer for \$20,895.23.

Repeated attempts from a debt collection agency to collect on the sum (including issuing a statutory demand) remained unsuccessful and an application was filed to the High Court to appoint liquidators.

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.

4.2. Schedule of Receipts and Payments

No funds have been remitted through the liquidation and as such no statement of receipts and payments has been prepared.

Attached as **Appendix 1** is a remuneration schedule covering the duration of the liquidation.

4.3. Asset Realisations

Milestone Business

The Company is the successor of Milestone Motors Limited which was liquidated as outlined earlier. The Liquidators understand the business of the Company was transferred to Yamasaki Trading Limited after it ceased trading in 2021, however the director advised no consideration was paid for the business. The Liquidators intend to come to an arrangement with the new operator of the business.

4.4. Creditor Claims

Preferential Creditors

One preferential claim has been filed in relation to the petitioning creditors' awarded costs of \$5,316.

Unsecured Creditors

One unsecured claim has been received valued at \$20,948.

5. Statement of Affairs and Interests Statement

A statement of affairs was not prepared in the Liquidators' first report due to a lack of information available. The Liquidators' have now determined the Company owns no assets, and only one creditor has filed a claim, therefore no statement of affairs has been prepared.

Attached as **Appendix 3** 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 the actions of management, directors, officers and advisers of the Company and any potential claim against them;
- meet with the director of Yamasaki Trading Limited and come to an arrangement regarding the purchase of the business;
- 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 Company's 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.

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:

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 5th day of April 2022

A handwritten signature in blue ink, appearing to read 'J Kellow'.

JESSICA KELLOW
Liquidator

Appendices

Appendix 1 - Remuneration Schedule

Appendix 2 - Interests Statement



APPENDICES

Appendix 1 - Remuneration Schedule



Milestone Motor Carz Limited (In Liquidation)

Remuneration Report - Period: 10 September 2021 - 5 April 2022

| | 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 | 2,425.00 | 5.00 | 111.25 | 0.25 | 247.50 | 0.50 | 692.50 | 1.50 | - | - | - | - | - | - |
| Managers | 195 - 325 | - | - | - | - | - | - | 487.50 | 1.50 | - | - | - | - | - | - |
| Analysts | 110 - 295 | 2,565.00 | 11.75 | 618.75 | 2.75 | 562.50 | 2.50 | 1,068.75 | 4.75 | - | - | - | - | - | - |
| Finance / Administration | 195 | - | - | - | - | - | - | - | - | - | - | - | - | 243.75 | 1.25 |
| Support Staff | 100 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | 4,990.00 | 16.75 | 730.00 | 3.00 | 810.00 | 3.00 | 2,248.75 | 7.75 | - | - | - | - | 243.75 | 1.25 |

| | 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 | 730.00 | 1.50 | - | - | - | - | 235.00 | 0.50 | - | - | - | - | 4,441.25 | 9.25 |
| Managers | 195 - 325 | - | - | - | - | - | - | - | - | - | - | - | - | 487.50 | 1.50 |
| Analysts | 110 - 295 | 1,406.25 | 6.25 | - | - | - | - | - | - | - | - | 1,252.50 | 5.50 | 7,473.75 | 33.50 |
| Finance / Administration | 195 | 975.00 | 5.00 | - | - | - | - | - | - | - | - | - | - | 1,218.75 | 6.25 |
| Support Staff | 100 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | 3,111.25 | 12.75 | - | - | - | - | 235.00 | 0.50 | - | - | 1,252.50 | 5.50 | 13,621.25 | 50.50 |

| Disbursements | Costs |
|---------------|---------------|
| Advertising | 376.18 |
| Miscellaneous | 21.04 |
| Overheads | - |
| Travel Costs | - |
| Total | 397.22 |

Note: The hours and costs shown in the table above are the actual WIP totals to date. **All totals are exclusive of GST.**
No payments been received on account for both fees and disbursements.

Appendix 2 - 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 5th day of April 2022



IAIN BRUCE SHEPHARD
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP71



JESSICA JANE KELLOW
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP75