



McDonald
Vague

business recovery partners

R D S INTERNATIONAL LIMITED (IN LIQUIDATION)

McDonald Vague Limited

Level 1, 136 Greenlane East,
Auckland 1051

Liquidators' Third Report

For the period from 04 December 2021 to 03 June 2022

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1 INTRODUCTION AND APPOINTMENT

Keaton Pronk and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of R D S International Limited (In Liquidation) (“the company”) on 04 June 2021.

This report has been prepared pursuant to Section 255(2)(d) of the Companies Act 1993 (**Act**) for the purpose of reporting on the liquidation of the Company. A Statement of Realisations and Distributions is **attached** as Appendix 1.

The report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

2 RESTRICTIONS

This report should be read in conjunction with the liquidators' previous report.

This report has been prepared using the information known to us. We have not independently verified the accuracy or reliability of the information provided or undertaken audit of the Company. We do not accept any liability whatsoever to any party arising from the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 UPDATED INTERESTS STATEMENT

We have not become aware of any circumstances, relationships, or other facts that create, or could reasonably be perceived as creating, a conflict of interest for us in relation to our independence as liquidators since we last prepared an interests statement.

4 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

During the reporting period, we have:



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- Continued with the company director on many occasions requesting books and records
- Investigated further company emails and the available accounting and bank records
- Made a recovery plan
- Sought explanations and the recovery of significant amounts of money

Since our appointment, we have:

- Sought to uplifted and review the Company's books and records
- Investigated some of the affairs of the Company and determined the reasons for its failure
- Investigated a customer dispute
- Liaised with the significant company creditor in regard to various matters arising
- Collected some assets

5 INVESTIGATIONS

The liquidators have commenced their investigations into the books, records and affairs of the company. As a result of the investigation the following matters arose: The company exported product to various markets and sold some domestically. It claims to have acted as an agent but during the course of its trading it appears to have unilaterally changed the way it invoiced the overseas customers which meant it stopped issuing invoices to customers in some instances. The reason for that is unknown.

This meant the company suppliers were not able to be paid however the uninvoiced overseas customers dispute any obligation is owed to RDS. The director has not assisted in any practical way in explaining this.

The company bank records and legal files show it sold its business. The sale proceeds did not go to pay all creditors.

The liquidators continue to explore various recovery actions arising.

6 CREDITORS' CLAIMS

In the interest of minimising liquidator's fees, the liquidators will only formally accept or reject creditors' claims if there are funds available to pay a distribution.

The following claims have been received:

| CLAIMS RECEIVED | NUMBER | VALUE | DISTRIBUTIONS | € IN THE \$ |
|--|--------|-----------|---------------|-------------|
| GSA Holders | | | | |
| Specific Securities | | | | |
| Employee Preferential Claims | | | | |
| Applicant creditor Preferential Claims | 1 | 4,858 | Nil | |
| Unsecured Claim | 1 | 1,019,571 | Nil | |

7 LIQUIDATORS' FEES

The Company has paid liquidators' fees and disbursements to the end of the reporting period totalling \$2,518 plus GST.

The liquidators' time costings to the cut-off date total \$19,004 plus GST, based on 55.1 hours of work undertaken are detailed as follows:

| Work Category | Hours | \$ |
|--|--------------|-----------------|
| Appointment functions | 8.7 | 2,160 |
| Asset realisations | 7.3 | 2,660 |
| Creditors' claims, enquiries and reports | 4.4 | 1,282 |
| Taxation & Management | 2.8 | 312 |
| Investigation | 31.9 | 12,590 |
| Total | 55.1 | \$19,004 |

Liquidators' fees in a Court ordered liquidation are to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators.

8 FUNDS / LIKELY OUTCOME

The liquidators consider recovery is likely to some extent.

9 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Recovery steps
- Complete investigations

There is no change to the estimated date of completion since our last report.

10 CONTACT DETAILS

Enquiries should be directed to Iain McLennan on DDI +64 (9) 303 9512 or by email to imclennan@mvp.co.nz.

The Liquidators can be contacted at:

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136 Greenlane East
Greenlane

P O Box 6092
Victoria Street West
Auckland 1142



Iain McLennan
LIQUIDATOR (Licence No: IP82)

Dated this 5th day of July 2022

| Realisations and Distributions | | | Since initial report |
|---|--|--|----------------------|
| R D S International Limited (In Liquidation) | | | |
| 4 June 2021 to 3 June 2022 | | | |
| | | | 03/06/2022 |
| Realisations | | | |
| Advance from Shareholders | | | - |
| Bank Account Closure | | | 55 |
| ACC refund | | | 2,471 |
| Debtors | | | - |
| Interest | | | 1 |
| Sale of Assets | | | - |
| Pre receivership GST Refund | | | - |
| Total Realisations | | | 2,526 |
| Payments | | | |
| Liquidators Fees | | | |
| Liquidators Fees | | | 2,263 |
| Disbursements | | | 255 |
| Total Liquidators Fees | | | 2,518 |
| Other Costs of Liquidation and Trading On | | | |
| Legal Fees | | | - |
| Debt Collection Costs | | | - |
| Wages and PAYE | | | - |
| Bank Fees | | | - |
| Total Costs of Liquidation and Trading On | | | - |
| Distributions | | | |
| Secured Creditor | | | - |
| Preferential Wages and Holiday Pay | | | - |
| Preferential GST and PAYE | | | - |
| Dividends to Unsecured Creditors | | | - |
| Total Distributions to Unsecured Creditors | | | - |
| Total Payments | | | 2,518 |
| BALANCE HELD | | | 8 |