

Tile New Zealand Limited (In Liquidation)

Liquidators' First Report

1 INTRODUCTION AND APPOINTMENT

Tile New Zealand Limited (“the company”) was placed into liquidation by a special resolution of the sole shareholder pursuant to Section 241(2)(a) of the Companies Act 1993 (“the Act”) on 9 April 2014. Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed as joint and several liquidators of the company.

2 RESTRICTIONS

This report has been prepared in accordance with Section 255(2)(c) of the Act. In preparing this report and its appendices we have relied upon information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of 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 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs setting out the company’s estimated financial position
- Appendix 2: Schedule of company creditors’ names and addresses
- Appendix 3: Notice to creditors to prove debts or claims
- Appendix 4: Notice of Liquidators’ decision to dispense with meeting of creditors
- Appendix 5: Creditors claim form

4 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	5 April 2004
Company number:	1490761
Date ceased trading:	December 2012
Nature of business:	Tile Sales and Distribution

Trading address:	Unit 3, 60 Constellation Drive, Mairangi Bay, Auckland
Share capital:	1,000 Shares
Shareholder:	Paul Lever
Director:	Paul Lever
Related companies:	Apollo Group Limited (In Liquidation) Eastzone Limited (In Liquidation) Northzone Limited (In Liquidation) South Pacific Distribution NZ Limited (In Liquidation) Te Rapa Holdings Limited (In Liquidation)

The company was part of a group of companies involved in the importation, distribution and sale of tiles. Economic conditions in 2008 – 2009 led to the director making the decision to exit the leases and cease trading in all but one of the companies. This process took time and the companies continued to operate with the financial support of the shareholder. On 1 April 2012 all of the companies except for Tile New Zealand Limited (“TNZ”) had ceased trading. The majority of creditors in all of the companies had been paid off during the process.

TNZ moved into new premises on 1 April 2012 with a seven month rent holiday. During that period the Landlord had agreed to carry out alterations to the building which would take about three months to complete leaving TNZ with four month’s rent free trading. The alterations did not start until the fourth month of the rent holiday, and were not completed before the end of the seventh month.

The director attempted a bulk sale of part of the stock held but was unable to do so. He then ceased trading and attempted to arrange a sale of all stock held through an auction company. He was not satisfied with the amount that the auction company was anticipating for the stock or the associated costs involved with the sale.

After seeking professional advice the stock was sold to a company associated with the director’s personal partner for an amount that was twice the top amount quoted by the auction company. Partial payment has been made and those funds were paid to ASB Bank Limited in settlement of their debt. Further payments are to be made to the Liquidators for distribution in accordance with the 7th Schedule of the Companies Act 1993.

5 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company’s estimated financial position as at the date of our appointment is provided at Appendix 1.

6 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will realise all available assets.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties, and take appropriate steps where necessary.

If there are funds available for distribution to creditors we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

7 LIABILITIES AND CREDITOR CLAIMS

7.1 *Secured Creditors*

As at the date of liquidation one secured party had a registered security interest against the company on the Personal Property Securities Register.

ASB Bank Limited has a General Security interest registered.

Personal Property Securities Act / Reservation of Title

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

7.2 *Preferential Creditors*

The Inland Revenue Department has not yet provided us with a creditor's claim form but we understand that there are amounts due in respect of GST, PAYE and other payroll deductions.

We have received a claim from the New Zealand Customs Service for \$3,021 in relation to non-payment of GST on imported goods.

7.3 *Unsecured Creditors*

From a review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$854,297. A schedule of known creditors and their addresses is provided at Appendix 2, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is included at Appendix 3. Also enclosed is a creditor's claim form for completion and return to this office by Friday, 30 May 2014. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor please contact us and the appropriate form will be sent to you.

8 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Pursuant to Section 314 of the Companies Act 1993, creditors are advised that at any time in the course of the liquidation the Liquidator shall, at the request in writing of any creditor or shareholder, call a meeting for the purpose of appointing a liquidation committee.

9 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence and send it to us. Please note that the Liquidators are more able to act on written information.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on the attached creditor claim form. This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz

10 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the liquidation.

11 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI (07) 838 0908 or by email to CSanderson@mvp.co.nz

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street, Auckland 1010

P O Box 6092
Wellesley Street, Auckland 1141


BORIS VAN DELDEN
LIQUIDATOR

DATED this 17 day of April 2014

Tile New Zealand Limited (In Liquidation) Statement of Affairs

Statement of Affairs for the above named company as at 9 April 2014 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

SECURED CREDITORS ASSETS SPECIFICALLY PLEDGED	<i>Estimated to Realise</i>	<i>Due to Secured Creditor</i>	<i>Deficiency Ranking as Unsecured</i>	<i>Surplus</i>
<i>No securities are registered on the Personal</i>	-	-	-	-
<i>Estimated surplus / (deficiency) as regards specifically pledged assets</i>	\$ -	\$ -	\$ -	\$ -
PREFERENTIAL CREDITORS			<i>Book</i>	<i>Estimated</i>
<i>Assets available for preferential creditors</i>			<i>Value</i>	<i>to Realise</i>
Accounts Receivable			-	76,280
Total			-	76,280
<i>Less preferential creditors</i>				
Inland Revenue Department				53,000
New Zealand Customs				3,021
Total				56,021
<i>Estimated surplus as regards preferential creditors</i>				\$20,259
SECURED CREDITORS ASSETS NOT SPECIFICALLY PLEDGED			<i>Book</i>	<i>Estimated</i>
<i>Estimated surplus from assets specifically pledged</i>			<i>Value</i>	<i>to Realise</i>
Estimated surplus from assets specifically pledged			-	-
Estimated surplus as regards preferential creditors			-	20,259
Nil			-	-
Total			-	20,259
<i>Less secured creditors</i>				
ASB Bank Limited				436
Total				436
<i>Estimated surplus as regards secured creditors</i>				\$19,823
UNSECURED CREDITORS				
Estimated surplus as regards secured creditors				19,823
First available for preferential creditors deficit (ranking as unsecured)				-
Surplus				19,823
Estimated deficiency as regards secured creditors - assets specifically pledged				-
Estimated deficiency as regards secured creditors - assets not specifically pledged				-
Trade creditors				66,801
Intercompany advances				-
Shareholders accounts				787,496
<i>Estimated deficiency as regards unsecured creditors</i>				(\$834,474)

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

Tile New Zealand Limited (In Liquidation)

Schedule of Creditor's Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor Names	Address 1	Address 2	Address 3
Accident Compensation Corporation	P O Box 3248	WELLINGTON	
ALCO	Private Bag 2007	NEW PLYMOUTH 4342	
Armstrong Locksmiths	1 Barrys Point Road	Takapuna	AUCKLAND 0622
ASB Bank Limited	P O Box 90 649	AUCKLAND 1142	
Cerim	soragnis@florim.it		
Goodwood Flooring Installation	97 Haverstock Road	Sandringham	AUCKLAND 1025
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
Isla Tiles Italy	ombretta.Baldelli@islatiles.it		
New Zealand Customs Service	P O Box 29	Shortland Street	AUCKLAND 1140
Paul Lever	P O Box 300 760	Albany	AUCKLAND 0752

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Tile New Zealand Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of Tile New Zealand Limited (In Liquidation) ("the company"), does hereby fix Friday, the 30th day of May 2014, as the day on or before which the company's creditors are to make their claims, and to establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.



BORIS VAN DELDEN
LIQUIDATOR

DATED this 17 day of April 2014

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

PO Box 6092
Wellesley Street
AUCKLAND 1141

Telephone: (09) 303 0506
Facsimile: (09) 303 0508
Website: www.mvp.co.nz

DATE OF LIQUIDATION: 9 April 2014

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Tile New Zealand Limited (In Liquidation) and the likely result of the liquidation, it is proposed to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

We do not, however, wish to preclude creditors from expressing their views. Please contact Colin Sanderson of this office on DDI (07) 838 0908 if you have any specific enquiries.

You are advised that should you desire a creditor's meeting, notice in writing is required within 10 working days of receiving this notice.

At the time of giving notice you must also state the reason you require a meeting so that an agenda can be prepared and advertised and creditors can be given the opportunity to vote on any issue by voting letter.



BORIS VAN DELDEN
LIQUIDATOR

DATED this 17 day of April 2014



The Insolvency & Business Recovery Specialists

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Unsecured Creditors Claim

(Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993
(For help see www.mvp.co.nz or email claims@mvp.co.nz)

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL

Telephone Numbers: ()
()

E-Mail

My Reference is:
(if applicable)

* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.

The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.

Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in 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 within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION:

(IN LIQUIDATION)

I

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

claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM:

1. I am an unsecured creditor for
(Also applicable to secured creditors who hereby surrender their security)

2. I am a preferential creditor for
(Refer details on reverse)

3. My total claim is for
(State currency if other than \$NZ) Other Currency

4. I have claimed retention/reservation of title rights pursuant to rights held by me
Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you. Tick if Applicable
(Refer details on reverse)

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 liquidator 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.

Received (Date Stamp)

RESERVED FOR OFFICE USE:

Claim admitted/rejected for voting purposes: (Delete one)

CLAIM REJECTED FOR PAYMENT: Signed: _____ Date: / /

Preferential Claim for: _____ Ordinary Claim for: _____

CLAIM ADMITTED FOR PAYMENT: \$ _____ \$ _____

Preferential Claim for: _____ Ordinary Claim for: _____

Signed Liquidator: _____ Date: / /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.





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PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

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 \$

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline

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. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$20,340 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
(eg. employee, GST, etc) _____
2. Details of your claim: _____

If applicable please record here your GST Registration number: _____

and total GST included in your tax invoice: \$ _____