



Liquidators' First Report

Matamata Christian Early Learning Centres
Limited (In Liquidation)

Company Number: 6113768
NZBN: 9429043338498

1. INTRODUCTION

1.1 Purpose of Report

Matamata Christian Early Learning Centres Limited (In Liquidation) (trading as "Tower Road Christian Preschool") ("the Company") was placed into liquidation on 2 November 2021 at 4.00pm by special resolution of shareholders pursuant to section 241(2)(a) of the Companies Act 1993 ("the Act"). Jared Waiata Booth and Tony Leonard Maginness ("the Liquidators"), Licensed Insolvency Practitioners, were appointed joint and several liquidators of the Company.

The Liquidators hereby report to creditors and shareholders of the Company in accordance with section 255(2)(c) of the Act. All amounts are GST exclusive unless otherwise stated.

1.2 Restrictions and Disclaimers

Whilst all care and attention has been taken in compiling this report, the Liquidators, Baker Tilly Staples Rodway Auckland Limited, its employees and its agents do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report. The Liquidators reserve the right (but will be under no obligation) to review the contents of this report and, if considered necessary, to revise the report in light of any information which becomes known to the Liquidators at a subsequent date.

1.3 Attachments

The following documents are included in this Report:

Appendix A: Statement of Affairs of the Company;
Appendix B: Schedule of Creditors;
Appendix C: Notice to Creditors to Prove Debts or Claims;
Appendix D: Notice of Decision to Dispense with Meeting of Creditors;
Appendix E: Interests Statement;
Appendix F: Remuneration Report;
Appendix G: Creditor's Claim Form.

1.4 Details of Liquidators

Names: Jared Booth (Registration Number: IP8)
Tony Maginness (Registration Number: IP36)
Address: Level 9, 45 Queen Street, Auckland 1010

Liquidators are required to be licensed insolvency practitioners. Further information about the regulation of insolvency practitioners is available from the Registrar of Companies.

1.5 Details of Company in Liquidation

Date of Incorporation: 23 September 2016
Company NZBN: 9429043338498
Company Number: 6113768
Date Ceased Trading: 22 October 2021
Business: Childcare Education
Trading Address: 112 Rawhiti Avenue, Matamata
Directors: Dirk Aka Kobus Jacobus Gysbertus Engelbrecht
Spence Allan Reichardt
Share Capital: 100 Shares
Shareholder: Peria Christian Education Incorporated 100 Shares

1.6 Events Leading to Appointment

The Company operated a Christian early childhood learning centre, trading as “Tower Road Christian Preschool”, from leased premises at 112 Rawhiti Avenue, Matamata.

The Company’s directors state that the Company’s liquidation resulted from a falling roll due to the Covid-19 epidemic, which led to its operations being financially unsustainable.

2. STATEMENT OF FINANCIAL POSITION, ACTIONS TAKEN TO DATE AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

2.1 Statement of Financial Position

The Liquidators include a Statement of Financial Position for the Company as at the date of their appointment at Appendix A. The information contained in the Statement of Financial Position is based upon information provided by Company officers and creditors, available Company records and the Personal Properties Securities Register (“PPSR”). The Liquidators have not verified nor audited the information supplied, and it is possible that subsequent investigation could result in a revision of the information thus presented.

2.2 Company Assets and Actions Taken to Date

The Liquidators have completed the following since the commencement of their appointment:

- interviewed the managing director of the Company and collected information on its operations;
- secured the leased premises of the Company, and restricted rights of entry;
- met with staff and advised them of the liquidation;
- entered into correspondence with certain parties associated to the Company;
- taken steps to secure the books and records of the Company and have commenced their review of the same;
- commenced the realisation of fixed assets of the Company.

The primary assets of the Company are comprised of cash at bank and fixed assets. Further information on these assets as at Appendix A.

The Liquidators completed a review of the Company’s business to determine whether or not it could be sold and the likely financial result. The review included an analysis of the Company’s financial records, correspondence with the Company’s landlord, and correspondence with a business broker. It was concluded that it is was highly the business could not be sold to a third party.

2.3 Proposals for Conducting the Liquidation

The Liquidators will realise all available assets, and will conduct an investigation into the Company’s books, records and affairs to:

- confirm that all assets have been properly accounted for and secured;
- determine whether there are any other avenues of recovery;
- determine whether the Company’s officers have complied with their duties and taken appropriate steps where necessary.

If you are aware of any party who may be interested in purchasing any of the assets, or if you have any information that may be relevant to the Liquidators’ investigations, please contact the Liquidators urgently.

2.4 Liabilities and Creditor Claims

A schedule of all known creditors and their addresses is included at Appendix B as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is included at Appendix C. Also included is a creditor claim form for completion and return to this office by 30 November 2021. Creditors who 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.

As at the date of the Liquidators' appointment, there were no parties with registered security interests against the Company on the PPSR.

Should any creditor believe that they are entitled to the return of any item(s), or to the proceeds from the realisation of such item(s), due to holding a Purchase Money Security Interest or a Reservation of Title clause, they should contact the Liquidators immediately.

2.5 Creditors Meeting / Liquidation Committee

A notice of the Liquidators' decision to dispense with a meeting of creditors is included at Appendix D. This decision has been made having regard to the assets and liabilities of the Company and the likely outcome of the liquidation. However, the Liquidators do not wish to preclude creditors from expressing any views which they may have and accordingly invite calls from any interested parties which may constructively assist with their administering the liquidation process.

Pursuant to sections 258 and 314 of the Act, creditors may at any time in the course of the liquidation, call a meeting of creditors including for the purpose of appointing a liquidation committee.

2.6 Estimated Date of Completion

The Liquidator's estimate the liquidation may be completed within the next six months.

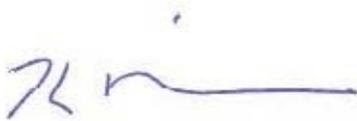
3. FURTHER INFORMATION AND CONTACT DETAILS

Pursuant to sections 255 and 257 of the Act, the Liquidators will issue a report to creditors and shareholders on the conduct of the liquidation and on future proposals on a six monthly basis, and upon the completion of the liquidation. If any creditor or shareholder wishes to receive these reports by email as and when they are published, please ensure that an email address is provided on the creditor claim form. These reports will also be available on the Companies Office website (www.companies.govt.nz).

Enquiries and information that would assist the Liquidators should be directed to:

Name: Kris McAinsh
Email: kris.mcainsh@bakertillysr.nz
Phone: 09 309 0463
Address (Post): C/- Baker Tilly Staples Rodway Auckland Limited, PO Box 3899, Auckland 1140

Dated: 11 November 2021



Jared Booth
LIQUIDATOR



Tony Maginness
LIQUIDATOR

APPENDIX A
MATAMATA CHRISTIAN EARLY LEARNING CENTRES LIMITED (IN LIQUIDATION)

**Statement of Financial Position
as at the Date of Appointment of Liquidators
being 2 November 2021**

	<i>Book Value</i>	<i>Estimated to Realise</i>
Assets		
Cash at Bank	34,136	34,136
Trade Debtors		unknown
Prepayments		unknown
Fixed Assets: Plant and Equipment	6,501	unknown
Fixed Assets: Improvements	112,420	nil
		unknown
Less Preferential Creditors		
Employees (estimated)		20,000
Inland Revenue Department		8,223
		28,223
Less Unsecured Creditors		
Trade Creditors		2,688
Ministry of Education		23,661
		26,349
Estimated Deficiency to Creditors		unknown

Notes:

1. The above amounts are in NZ\$.
2. The above estimates are subject to the costs of the liquidation.

Disclaimer of Liability:

The information contained in the Statement of Financial Position is based upon information provided by Company officers and creditors, available Company records and the Personal Properties Security Register. The Liquidators have not verified nor audited the information supplied, and it is possible that subsequent investigation could result in a revision of the information thus presented. The Statement of Financial Position 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.

SCHEDULE OF CREDITORS
 Pursuant to Section 255(2)(c)(i) of the Companies Act 1993

Name	Address	Address	Address
ACC	P O Box 242	Wellington	
Bianca Smith			
Campus & Corporate Clot	94 Gill Street	New Plymouth 4310	
Catas	PO Box 21145	Edgeware	Christchurch 8143
D Reihana			
Dynamic ECE Relievers Jitbug Ltd	4B/20 Emily Place	Auckland 1010	
Gail Wall			
Higgins Lawnmowing	20 Bedford Crescent	Matamata 3400	
Inland Revenue Department	P O Box 39010	Wellington Mail Centre	Lower Hutt 5045
Liz Exton			
Mercury NZ Limited	Private Bag 92008	Auckland	
Ministry of Education	33 Bowen Street	P O Box 1666	Wellington 6011
Natasha Marx			
Robyn Holmes			
Spark New Zealand Trading Limited	Private Bag 92028	Auckland 1142	
Talk Recruitment	15b Sanders Avenue	Takapuna	Auckland 0622
Waikato Cleaning Supplies	25 King Street	Frankton	Hamilton 3204
Warehouse Stationary	PO Box 33 470	Takapuna	Auckland 0740

APPENDIX C

IN THE MATTER of

The Companies Act 1993

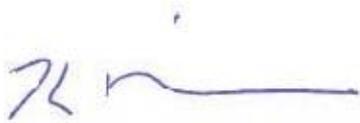
and

IN THE MATTER of

Matamata Christian Early Learning Centres Limited
(In Liquidation) ("the Company")**NOTICE TO CREDITORS TO PROVE DEBTS OR CLAIMS**

Notice is hereby given that the undersigned, the Liquidators of the Company, do hereby fix 30 November 2021, 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.

Dated: 11 November 2021



Jared Booth
LIQUIDATOR

Tony Maginness
LIQUIDATOR

APPENDIX E

INTERESTS STATEMENT AND DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES (“Interests Statement”)

Matamata Christian Early Learning Centres Limited (In Liquidation) (“the Company”)

BACKGROUND

Licensed Insolvency Practitioners appointed to an insolvent entity are required to make declarations as to:

1. Their independence generally;
2. Relationships, including:
 - a. the circumstances of the appointment;
 - b. any relationships with the company and others within the previous 24 months;
 - c. any prior professional services for the company within the previous 24 months;
 - d. that there are no other relationships to declare; and
3. Any indemnities given, or upfront payments made, to the Practitioner.

This declaration is made in respect of myself, my fellow directors and the firm Baker Tilly Staples Rodway Auckland Limited (“Baker Tilly Staples Rodway”).

A. INDEPENDENCE

We, Tony Leonard Maginness and Jared Waiata Booth of the firm Baker Tilly Staples Rodway have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as liquidators of the Company in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. DECLARATION OF RELATIONSHIPS

Circumstance of Appointment

We were appointed as liquidators of the Company by special resolution of shareholders on 2 November 2021, subsequent to a request from its shareholders.

Prior to our appointment, preliminary correspondence was held in respect of the Company in the period from 27 October 2021. The purpose of this correspondence was to:

- Obtain initial financial information about the Company to clarify and advise its representatives on the consequences of insolvency and the alternative courses of action in the case of insolvency.
- Obtain sufficient information about the Company, its current financial position and any unique stakeholders or circumstance that would affect our appointment.
- Obtain sufficient information about the Company to assess the resources required to be engaged by Baker Tilly Staples Rodway upon our appointment.

- Obtain sufficient information about the Company to assess any conflicts of interest or potential future conflicts of interest.
- Confirm the shareholders of the Company.
- Provide documents for the appointment of liquidators.

We received no remuneration for this advice.

In our opinion, the meetings do not affect our independence for the following reasons:

- The Courts and the RITANZ Code of Conduct specifically recognise that an Insolvency Practitioner may provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- The nature of the advice provided to the Company is such that it would not be subject to review and challenge during the course of the liquidation; and
- The pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the liquidation in an objective and impartial manner.

We have provided no other information or advice to the Company, its directors and its advisors prior to our appointment beyond that outlined in the Interests Statement.

Prior Professional Services to the Company

Neither we, nor our firm, has provided any professional services to the Company in the previous 24 months.

No Other Relevant Relationships to Disclose

There are no other known relevant relationships, including personal, business and professional, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity which is entitled to enforce a security interest in the whole, or substantially the whole, of the Company's property that should be disclosed other than noted below.

An employee of Baker Tilly Staples Rodway was in her personal capacity a former customer of the Company in relation to its provision of childcare services. We believe that this does not result in a conflict of interest or duty because:

- Baker Tilly Staples Rodway follows the normal and acceptable business practice of establishing a network of relationships and referrals based on quality of professional service and expertise.
- These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders.
- The employee was a customer of the Company in her personal capacity.
- We are not precluded from acting as liquidators of the Company under the Companies Act 1993.
- Any relationship held by the employee will not influence our ability to comply with the statutory obligations associated with this appointment.

C. INDEMNITIES AND UPFRONT PAYMENTS

We have not been indemnified in relation to this liquidation and we have not received any upfront payments in respect of our remuneration or disbursements.

This does not include statutory indemnities.

Dated: 11 November 2021



Jared Booth
LIQUIDATOR



Tony Maginness
LIQUIDATOR

Notes:

1. Any relationships, indemnities or upfront payments disclosed in the Interests Statement must not be such that the Insolvency Practitioner is no longer independent. The purpose of components B and C of the Interests Statement is to disclose relationships that, while they do not result in the Insolvency Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Insolvency Practitioner nevertheless remains independent.
2. The presentation of the above information is in accordance with the format suggested with the RITANZ Code of Conduct.

APPENDIX F

REMUNERATION REPORT

Matamata Christian Early Learning Centres Limited (In Liquidation)

Qualifications

Tony Maginness, a Director at Baker Tilly Staples Rodway Auckland Limited (“Baker Tilly Staples Rodway”), is a Licensed Insolvency Practitioner with over 10 years of experience in insolvency assignments.

Jared Booth, a Director at Baker Tilly Staples Rodway, is a Licensed Insolvency Practitioner and Chartered Accountant, with over 15 years of local and international experience in insolvency assignments and special purpose investigation assignments.

Both liquidators have worked across a wide range of entity types and industries and have specialist experience in the administration of liquidations in the childcare industry.

Baker Tilly Staples Rodway provides business advisory services nationwide from 7 locations in New Zealand and with over 500 staff. Services include accounting, audit and assurance, business advice, business recovery and insolvency, business valuations, corporate finance, expert evidence, financial modelling, governance, human resources, information technology and taxation. Baker Tilly Staples Rodway also provides international and cross border services through our membership of Baker Tilly International.

Remuneration

Under the Companies Act 1993 and the RITANZ Code of Conduct, a liquidator is entitled to claim reasonable remuneration, disbursements and costs in respect of necessary work, properly performed in the administration of the liquidation.

The work performed in the administration of a liquidation is determined by:

- The statutory duties and regulations imposed on a liquidator;
- The level of investigations carried out by the liquidator;
- The type and complexity of assets in the liquidation and their method of realisation;
- The type and complexity of legal action to be undertaken by the liquidator;
- The complexity of creditor claims and distributions in the liquidation.

There are 4 primary options available by which a liquidator’s remuneration can be calculated, which are:

1. Time Based Charging: This is where a liquidator’s remuneration is based on the nominated hourly rate charged by each person who carried out the work, multiplied by the number of hours (or portion thereof) spent by each person on the work performed.
2. Fixed Fee Charging: This is where a liquidator completes a liquidation for a fixed level of remuneration, which is normally quoted and set at the commencement of the liquidation.
3. Percentage Charging: This is where a liquidator’s remuneration is based upon a nominated percentage of each nominated category of potential asset realisation, provided that there are sufficient funds available to meet higher-ranking priority debts.
4. Contingency Arrangement Charging: This is where a liquidator’s remuneration is contingent on a previously agreed outcome being achieved.

Having regard to the nature of work involved in this liquidation, the remuneration charged by the Liquidators will be based on the time-based charging method. This has been chosen for the following reasons:

- Payment will only be made for work done, subject to sufficient realisations of the Company's assets.
- Time will only be charged for work that is performed. It will be recorded and charged in 6-minute increments and allocated to and performed by staff according to their relevant experience and qualifications.
- When distributing funds to a creditor, a liquidator is required to take into account a creditor's priority to each asset realised (for example, stock) under the Companies Act 1993, the Personal Property Securities Act 1993 and other relevant legislation, as well as the liquidator's remuneration, disbursements and costs in realising that asset.
- A number of tasks that are required to be performed, such as the issue of the liquidators' first report, do not relate directly to the realisation of assets.
- It is not possible to estimate with certainty the total amount of time, and therefore the total fee that will be charged, that is necessary to complete all tasks required in the liquidation.

The standard hourly rates charged by the Liquidators for their remuneration are as follows (excluding GST):

Liquidators/Directors:	\$570 per hour
Senior Staff:	\$310 to \$395 per hour
Support Staff:	\$110 to \$225 per hour

Disbursements

Disbursements incurred in a liquidation may be categorised as follows:

- External non-professional costs: These relate to costs incurred by a liquidator when carrying out their work and are recovered at cost. Examples of this type of disbursement include advertising and travel expenses.
- Internal disbursements: This includes expenses such as telephone calls, photocopying and printing, and are generally recovered at cost. The charging of these costs is based upon a rate which recoups both fixed and variable costs. The recovery of these costs is made on a fair and reasonable commercial basis.

The other costs of a liquidation will depend upon the nature of the liquidation and the assets being realised, and may include, for example, legal fees, real estate agents commission, and auctioneer fees. These are recovered at cost in the liquidation.

Further Reporting on Remuneration, Disbursements and Costs

The Liquidators will disclose further detailed information to creditors and shareholders on remuneration, disbursements and costs charged for the administration of the liquidation on a six monthly basis and at the end of the liquidation pursuant to the RITANZ Code of Conduct and sections 255 and 257 of the Companies Act 1993.

