



Liquidators' Final 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 liquidation of the Company is now complete. The Liquidators hereby report to creditors and shareholders of the Company in accordance with section 257 of the Act. This final report should be read in conjunction with the Liquidators' prior report.

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 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.

1.4 Details of Report

Is this report final: Yes
Period covered: 2 November 2021 to 20 April 2022

2. CONDUCT OF LIQUIDATION

2.1 Introduction

We **attach** a Statement of Realisations and Distributions and Remuneration Report for the liquidation as Annexures A and B. All amounts are GST exclusive unless otherwise stated.

2.2 Realisations

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

Subsequent to their appointment, the Liquidators completed a review of the Company's business to determine whether or not it could be sold and the likely financial result. This review included an analysis of the Company's financial records, correspondence with the Company's landlord, an analysis of the lease agreement held by the business, and correspondence with a business broker. It was ultimately concluded by the Liquidators that the business could not be sold.

Details of realisations during the liquidation are summarised below.

Asset Category	Estimated Realisable Value as per Statement of Financial Position (\$)	Realisations during Liquidation (\$)
Cash at Bank	34,136	34,137
Petty Cash Receipts	n/a	166
Trade Debtors	unknown	60
Prepayments	unknown	526
Fixed Assets: Plant and Equipment	unknown	4,831
Fixed Assets: Improvements	nil	nil
Sundry Receipts	n/a	405
Total	unknown	40,125

2.3 Investigations and Proceedings

The Liquidators' have completed an investigation into the books, records and affairs of the Company. As part of this process, the Liquidators received submissions from certain parties and attended an informal public meeting on 7 December 2021. The Liquidators' investigations did not ultimately identify or evidence any potential claims by the Liquidators which could result in a net financial benefit to creditors.

2.4 Debts and Liabilities

Details of creditor claims received, together with details of distributions to creditors, are summarised below. Note that claims received may fall within more than one creditor category.

Creditor Category	Creditor Claims (\$)	Distributions during Liquidation (\$)
Preferential Creditors	15,654	15,654
Secured Creditors	nil	nil
Unsecured Creditors	32,935	nil
Total	48,589	15,654

- Preferential Creditors – The Liquidators received and admitted preferential employee claims totalling \$15,654. The Liquidators obtained independent legal advice as part of this process. The Liquidators have paid a distribution of \$15,654 in relation to these claims, paying them in full. No claim was received from the Inland Revenue.
- Secured Creditors – No secured creditor claims have been received.

- Unsecured Creditors – The Liquidators have received unsecured creditor claims totalling \$32,935. There were insufficient funds available to allow for a distribution to this category of creditor from the liquidation.

2.5 Completion of Liquidation

The liquidation of the Company is now complete. All known assets have been disclaimed or realised, or distributed without realisation, and all proceeds of realisation have been distributed. The Company is ready to be removed from the Register of Companies (“the Register”).

2.6 Removal of Company from Register

The Liquidators have given public notice pursuant to section 320(4) of the Act of the intention to remove the company from the Register and for the destruction of its remaining records.

The attention of all creditors and shareholders is drawn to section 321 of the Act which provides that any person may send to the Registrar of Companies (“the Registrar”), not later than the date specified in the notice, an objection to the removal on any of the following grounds:

- a) That the company is still carrying on business or there is a reason for it to continue in existence; or
- b) The company is a party to legal proceedings; or
- c) The company is in receivership or liquidation or both; or
- d) The person is a creditor, or a member, or a person who has an undischarged claim against the company; or
- e) That the person believes that there exists and intends to pursue a right of action on behalf of the company under part IX of the Act; or
- f) That for any other reason, it would not be just and equitable to remove the company from the register.

Note that section 321(2) of the Act provides that a claim by a creditor or a shareholder of any other person against a company is not an “undischarged claim” if a receiver or liquidator has notified that person that the company has no surplus assets.

The date by which objections must be lodged with the Registrar is 20 working days after the date of this report.

3. FURTHER INFORMATION AND CONTACT DETAILS

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

Name: Jared Booth
Email: jared.booth@bakertillysr.nz
Phone: (09) 309 0463
Address (Post): C/- Baker Tilly Staples Rodway Auckland Limited, PO Box 3899,
Auckland 1140

Dated: 20 April 2022



Jared Booth
LIQUIDATOR



Tony Maginness
LIQUIDATOR

Annexure A

Matamata Christian Early Learning Centres Limited (In Liquidation) t/a Tower Road Christian Preschool For the period 2 November 2021 to 20 April 2022

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2022

Statement of Realisations and Distributions

Realisations

Bank Account Closure Receipts	34,137
Petty Cash Receipts	166
Trade Debtor Receipts	60
Prepayment Receipts	526
Sale of Fixed Assets	4,831
Sundry Receipts	405
Total Realisations	40,125

Distributions

Liquidators' Fees	(21,432)
Liquidators' Disbursements	(1,299)
Legal Fees	(1,441)
Security Expenses	(154)
Bank Fees	(40)
Distribution to Preferential Creditors: Employees	(15,654)
Total Distributions	(40,021)

GST	(105)
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Net Cash Flows	-
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Net Cash Flows

-

Cash and Cash Equivalents

Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	-

ANNEXURE B

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 is 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 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.

Time and Cost Summary

The Liquidators have issued invoices during the period to 20 April 2022 with a total value of \$21,432 (excluding GST) in relation to Liquidators' fees during the period covered by this report. The key categories of time accrued in relation to these invoices (including non-invoiced time) are summarised in the table below. All amounts are GST exclusive.

LIQUIDATORS' FEES (INCLUDES NON-INVOICED TIME)													
		Assets		Creditors		Administration		Investigation		Reporting		Total	
Position	Hourly Rate	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Liquidators	\$570	7.8	\$4,446	10.6	\$6,042	6.4	\$3,648	6.3	\$3,591	1.8	\$1,026	32.9	\$18,753
Senior Staff	\$310 to \$395	nil	nil	nil	nil	2.5	\$785	nil	nil	0.6	\$196	3.1	\$981
Support Staff	\$110 to \$225	0.8	\$180	5.4	\$844	16.6	\$2,603	nil	nil	1.3	\$293	24.1	\$3,920
		8.6	\$4,626	16.0	\$6,886	25.5	\$7,036	6.3	\$3,591	3.7	\$1,515	60.1	\$23,654

The Liquidators have issued invoices during the period to 20 April 2022 with a total value of \$1,299 (excluding GST) in relation to Liquidators' disbursements during the period covered by this report. The key categories of disbursements in relation to these invoices (including non-invoiced disbursements) are summarised in the table below. All amounts are GST exclusive.

DISBURSEMENTS (INCLUDING NON-INVOICED COSTS)	
Category	Total
Advertising	\$394
General	\$738
Xero	\$356
Total	\$1,488

Description of Work Completed

The table below summarises the matters undertaken by the Liquidators and their staff during the period covered by this report.

Category	Description
Assets	<ul style="list-style-type: none"> ▪ Corresponding with bank over pre appointment bank account closure and receipt of funds from bank account; ▪ Analysis and investigation of potential trade debtors, including associated correspondence; ▪ Secure premises and change locks; ▪ Investigate Company assets and ownership, and review lease agreement; ▪ Correspondence with business broker and landlord in relation to potential sale of business; ▪ Realise fixed assets on site at onsite sale, including invoicing and payment matters; ▪ Correspondence with insurer and collect insurance prepayments; ▪ Release of premises to landlord.
Creditors	<ul style="list-style-type: none"> ▪ Receiving and recording creditor claim forms; ▪ Dealing with various creditor enquiries, returning phone calls and emails; ▪ Meeting with employees; ▪ Review of PPSR and secured claims; ▪ Admission and rejection of preferential employee claims, including obtain legal advice, and all matters relating to their payment.
Investigation	<ul style="list-style-type: none"> ▪ Correspondence with directors, employees and other parties associated to the Company, including review of concerns over the management of its affairs; ▪ Attendance at public meeting in relation to the Company; ▪ Collection and analysis of company books and records, including electronic files.
Administration	<ul style="list-style-type: none"> ▪ Correspondence over proposed appointment; ▪ Conflict check; ▪ AML/CDD compliance; ▪ Preparation of liquidation appointment documentation; ▪ Advertising and meeting various statutory requirements in relation to liquidation appointment; ▪ Issuing standard liquidation correspondence; ▪ Set up and maintain cashbook for the liquidation; ▪ Preparation and filing of tax returns; ▪ Review of Company's GST position; ▪ Maintaining and filing of paper based and electronic records; ▪ Prepare liquidation completion documentation; ▪ Liquidation checklists; ▪ Sundry matters.
Reporting	<ul style="list-style-type: none"> ▪ Preparation and issue of Liquidators' statutory reports, including statement of financial position, interests statement and remuneration report.