



Canzea Logging Limited (In Receivership & In Liquidation)

Liquidators' First Report

McDonald Vague Limited

Level 10, 52 Swanson Street,
Auckland Central

PO Box 6092, Wellesley Street,
Auckland 1141, New Zealand

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1 INTRODUCTION AND APPOINTMENT

Canzea Logging Limited ("the company") was placed into liquidation by a special resolution of the shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 3 August 2017 at 3:30 p.m. Iain McLennan and Colin Sanderson, CAANZ Accredited Insolvency Practitioner, of Auckland, were appointed as joint and several liquidators of the company.

On 4 August 2017, Thomas Lee Rodewald, chartered accountant of Tauranga, was appointed receiver and manager of the property of the company by Bank of New Zealand under the powers contained in an instrument dated 11 March 2015.

2 RESTRICTIONS

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, amend this report to take into account any information existing at the date of this report that becomes known to us after this report is published.

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 of Liquidators' decision to dispense with meeting of creditors
- Appendix 4: Notice to creditors to prove debts or claims
- Appendix 5: Creditors claim form

4 COMPANY STRUCTURE AND BACKGROUND

| | | |
|------------------------|---|------------------------|
| Date of incorporation: | 24 January 2002 | |
| Company number: | 1185189 | |
| Date ceased trading: | 21 July 2017 | |
| Nature of business: | Logging Company | |
| Share capital: | 2,000 Shares | |
| Shareholders: | Christopher John Walton Joanne Heather Walton Paul Bradley Wilson | } 2,000 Shares Jointly |
| Directors: | Christopher John Walton Joanne Heather Walton | |

The company had been working a forestry block in Hunua for 26 months when the block was sold in December 2016. The company was given 1 month to move out. They sourced further work on a block near Warkworth but that did not fully utilise all their equipment. Increasing costs and the loss of key staff that were not able to be replaced, meant that the company was unable to operate safely, and generate sufficient income. Attempts were made to source new funds but, when this was not able to be achieved, the decision was made to cease trading and appoint liquidators.

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

The receiver will be dealing with the assets of the company that are subject to the Bank of New Zealand's security.

The liquidators will deal with any assets not subject to the security such as any accounts receivable or inventory. The liquidators will also deal with some assets on behalf of specific security holders who have requested them to do so.

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

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 provided at Appendix 4. Also provided is a creditor's claim form at Appendix 5 for completion and return to this office by Friday, 8 September 2017. 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.

7.1 *Secured Creditors*

As at the date of liquidation seven secured parties had registered security interests against the company on the Personal Property Securities Register.

- Bank of New Zealand – General security and specific securities on items of machinery
- Dorchester Finance Limited – General security and specific security on a machine
- Heartland Bank Limited – Specific securities on motor vehicles
- Finance Now Limited – Specific security on a motor vehicle
- Toyota Finance New Zealand Limited – Specific security on a motor vehicle
- Branded Financial Services – Specific security on a motor vehicle
- Caird Logging Limited – Security over money

The liquidators have contacted all secured parties to obtain details of the amounts owed and copies of documents to support their position as secured creditors.

Personal Property Securities Act / Reservation of Title

If any creditor believes that they hold a Purchase Money Security Interest entitling them to any goods or proceeds from realisation of goods, they should contact us immediately.

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 directors personally paid holiday pay to the employees of \$14,176 and, as a result, are entitled to file a claim as a preferential creditor for that amount should they choose to do so.

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 totalling approximately \$58,000.

7.3 Unsecured Creditors

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors, including the shareholders, is approximately \$615,216.

8 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 3.

Any creditor or shareholder may at any time in the course of the liquidation request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993, for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

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 it can be difficult for liquidators to act in reliance on information that is not provided in writing.

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 your creditors' 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.

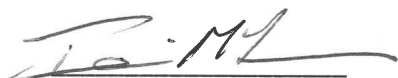
11 CONTACT DETAILS

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



IAIN McLENNAN
LIQUIDATOR

DATED this *9th* day of August 2017

Canzea Logging Limited (In Receivership & In Liquidation) Statement of Affairs

Statement of Affairs for the above named company as at 3 August 2017 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

| ASSETS SPECIFICALLY PLEDGED | <i>Estimated to Realise</i> | <i>Due to Secured Creditor</i> | <i>Deficiency Ranking as Unsecured</i> | <i>Surplus</i> |
|--|---------------------------------|------------------------------------|--|-------------------------|
| 1990 Komatsu D85 - Heartland bank | 98,000 | 90,814 | - | 7,186 |
| Tigercat 620D Skidder - Dorchester Finance | 338,997 | 229,691 | - | 109,306 |
| Holden Rodeo JYB41 - Heartland Bank | 10,000 | - | - | 10,000 |
| 2010 Hitachi ZX250L - Bank of New Zealand | 193,200 | 154,922 | - | 38,278 |
| Holden Rodeo CQR741 - Finance Now Ltd | 15,000 | 12,324 | - | 2,676 |
| 2010 Toyota Hiace FMT106 - Toyota Finance | 20,000 | 13,279 | - | 6,721 |
| 2011 Woodsman PRO800 - Bank of New Zealand) | | | | |
| 2011 Kato HD1 430 - Bank of New Zealand) | 546,250 | 473,495 | - | 72,755 |
| 1989 Madill 123 Swing Yarder - Bank of New Zealand | 816,500 | 276,420 | - | 540,080 |
| 2014 Mazda BT50 HUK692 - BrandedFinancial Services | 30,000 | 23,985 | - | 6,015 |
| <i>Estimated surplus as regards specifically pledged assets</i> | <i>\$ 2,067,947</i> | <i>\$ 1,274,930</i> | <i>\$ -</i> | <i>\$793,017</i> |

ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS

| | <i>Book Value</i> | <i>Estimated to Realise</i> |
|---------------------|-----------------------|---------------------------------|
| Accounts receivable | 10,598 | Unknown |
| Total | 10,598 | - |

Less preferential creditors

| | |
|--|---------------|
| Staff Wages & Holiday pay - net of PAYE etc (See note 5 below) | 14,176 |
| Inland Revenue Department | 58,000 |
| Total | 72,176 |

Estimated deficiency as regards preferential creditors

(\$72,176)

ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDERS

| | <i>Estimated to Realise</i> |
|--|---------------------------------|
| Estimated surplus from assets specifically pledged | 793,017 |
| Container | 1,500 |
| Office equipment | 200 |
| Total | \$794,717 |

Less deficiency as regards preferential creditors

72,176

Surplus

\$722,541

AVAILABLE FOR UNSECURED CREDITORS

\$722,541

LESS UNSECURED CREDITORS

| | |
|--|-------------------------|
| Trade creditors | 328,195 |
| Shareholder advances as at 31 March 2017 | 274,021 |
| Inland Revenue Unsecured claim | 13,000 |
| <i>Estimated surplus as regards unsecured creditors</i> | <u>\$107,325</u> |

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
4. The General Security Agreement holder's claim will continue to accrue interest until fully paid.
5. The directors personally paid the final wages & holiday pay to employees on termination and stand in their position as preferential creditor.

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.



Canzea Logging Limited (In Receivership & In Liquidation) Schedule of Creditors' 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 6140 | |
| AB Equipment Limited | PO Box 23 151 | Papatoetoe | AUCKLAND 2013 |
| Active Equipment | P O Box 10 032 | ROTORUA | |
| ADP Hydraulics | Unit A10/ 8 Henry Rose Place | Albany | AUCKLAND 0632 |
| All Heavy Machinery | P O Box 11 019 | Whangarei Mail Centre | WHANGAREI |
| Altranz (2008) Limited | P O Box 10 426 | Te Rapa | HAMILTON |
| Autec Auto Electrical | 27 Glenmore Drive | WARKWORTH 0910 | |
| Bank of New Zealand | Lending Services | Private Bag 92 089 | AUCKLAND 1142 |
| BOC Gas | Private Bag 92234 | Victoria St West | AUCKLAND 1142 |
| Branded Financial Services (NZ) Limited | 40 Paisley Street | Mt Wellington | AUCKLAND 1060 |
| Caird Logging Limited | C/- DPA Limited | P O Box 926 | TAUPO 3351 |
| CV Crompton Limited | P O Box 80 172 | Green Bay | AUCKLAND |
| Devine Engineering (2006) Limited | P O Box 19 | TAUPO | |
| Doctor Diesel Limited | P O Box 3436 | Richmond | NELSON 7050 |
| Dorchester Finance Limited | P O Box 1232 | Shortland Street | AUCKLAND 1140 |
| DPA Limited | Chartered Accountants | P O Box 926 | TAUPO 3351 |
| Fargo Enterprises | 98 Corlett Road | R D 3 | WELLSFORD |
| FeeSmart | P O Box 113 027 | AUCKLAND 1149 | |
| Filter HQ | P O Box 954 | WHANGAREI | |
| Finance Now Limited | P O Box 41 335 | St Lukes | AUCKLAND 1346 |



Appendix 2

| Creditor Names | Address 1 | Address 2 | Address 3 |
|------------------------------------|-----------------------|------------------------|-------------------|
| Hawky Haulage 2008 Limited | 19 Te Pua School Road | R D 2 | HELENSVILLE 0875 |
| Heartland Bank Limited | 75 Riccarton Road | Riccarton | CHRISTCHURCH 8011 |
| HPL Distribution Limited | 84 Maungakaramea Road | R D 8 | WHANGAREI 0178 |
| Hydraulink Thames | P O Box 453 | THAMES 3540 | |
| Inland Revenue Department | P O Box 39 010 | Wellington Mail Centre | LOWER HUTT 5045 |
| Marsden Woods Inskip Smith | P O Box 146 | WHANGAREI 0140 | |
| McFall Fuel Limited | P O Box 2286 | TAURANGA 3140 | |
| MS Engineering Limited | P O Box 5 | WARKWORTH 0941 | |
| N M Diesel Serv Limited | P O Box 4220 | Kamo | WHANGAREI 0141 |
| N T Engineering Limited | P O Box 10 092 | Te Mai | WHANGAREI 0143 |
| Northland Polytech | Private Bag 9019 | WHANGAREI | |
| NZ Safety Blackwoods | Private Bag 92 100 | Victoria St West | AUCKLAND 1142 |
| Shaws Wire Ropes Limited | P O Box 962 | CAMBRIDGE 3450 | |
| Spark NZ Trading Limited | P O Box 1473 | CHRISTCHURCH 8140 | |
| SRB Hydraulics | P O Box 1212 | PUKEKOHE | |
| Tasman SV Consulting | P O Box 204 264 | Highbrook | AUCKLAND 2161 |
| The Drug Detection Agency | P O Box 101 612 | North Shore | AUCKLAND 0745 |
| Toyota Finance New Zealand Limited | P O Box 17 065 | Greenlane | AUCKLAND 1546 |
| WES Direct | P O Box 1691 | WHANGAREI 0140 | |

Appendix 3

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Canzea Logging Limited (In Receivership & In Liquidation) and the likely result of the liquidation, the liquidators propose to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators 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.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.



IAIN McLENNAN
LIQUIDATOR

DATED this 9th day of August 2017

Appendix 4

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Canzea Logging Limited (In Receivership & In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of Canzea Logging Limited (In Receivership & In Liquidation) ("the company"), fix Friday, 8 September 2017, as the day on or before which the company's creditors are to make their claims and 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.



IAIN McLENNAN
LIQUIDATOR

DATED this *9th* day of August 2017

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: 3 August 2017

| | | | | |
|--|--|--|--|--|
| | | | | |
| | | | | |

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:

- I am an unsecured creditor for**
(Also applicable to secured creditors who hereby surrender their security)
- I am a preferential creditor for**
(Refer details on reverse)
- My total claim is for** _____
(State currency if other than \$NZ) Other Currency
- 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. (Refer details on reverse)

| |
|-------|
| \$ |
| \$ |
| NZ \$ |

Tick if Applicable

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)

| | |
|---------|-----------|
| Signed: | Date: / / |
|---------|-----------|

~~CLAIM REJECTED FOR PAYMENT:~~

| | |
|-------------------------|---------------------|
| Preferential Claim for: | Ordinary Claim for: |
| \$ | \$ |

or
~~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.



The Insolvency & Business Recovery Specialists

McDONALD VAGUE LIMITED

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: \$ _____