

Quickearth Services Limited (In Liquidation)

Liquidators' Sixth Report For the period from 17 April 2014 to 16 October 2014

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Quickearth Services Limited ("the company") on 17 April 2012 by the High Court at Auckland.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This sixth report should be read in conjunction with the liquidators' previous reports. This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is **attached**.

2 RESTRICTIONS

This report has been prepared in accordance with section 255(2)(d) of the Act. 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 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Debtors *(Statement of Affairs: \$Unknown)*

To date debtor realisations total \$22,565. No further realisations are expected from debtors.

3.2 GST Refund

The liquidators' received a GST refund in the amount of \$2,515.

4 INVESTIGATIONS

The liquidator's investigations into the books, records and affairs of the company have been completed. A number of issues were identified, including fraudulent concealment of company assets, re-invoicing of work carried out by the company prior to liquidation to have payment made to another entity, and an overdrawn shareholder's current account.

A lack of co-operation from the director and former director of the company means that the Liquidators have been unable to advance these matters further to obtain any benefit for creditors.

Enquiries will continue into the disposal of assets if further information becomes available.

The former director, Dewa Nand, has been reported to the Registrar of Companies pursuant to Section 258a of the Companies Act 1993. The Registrars investigations are on-going.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

A secured claim has been received from ASB Bank Limited in respect of a General Security Agreement for the amount owing of \$154,213. Interest continues to accrue on this amount.

5.2 *Preferential Creditors*

The applicant creditor made a preferential claim in the amount of \$3,691 for Court awarded costs. This claim has been paid in full.

The Inland Revenue Department has yet to advise if it has a preferential claim in respect of PAYE and GST.

5.3 *Unsecured Creditors*

As at the date of preparing this report, seven unsecured creditors' claims have been received which total \$30,129. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution.

6 LIQUIDATORS' FEES

Liquidators' fees and disbursements to the date of this report are \$61,190.60 including GST (\$53,209.22 excluding GST). The fees are based on 309.3 hours of work undertaken as follows:

Work Category	Hours	\$
Appointment functions	30.1	5,068
Asset realisations	86.8	13,525
Creditors' claims, enquiries and reports	26.3	3,908
Taxation & Management	59.6	11,262
Investigations	106.5	14,526
Disbursements		4,920
Total	<u>309.3</u>	<u>\$53,209</u>

To date the liquidators have taken \$18,686 (exclusive of GST) in fees and disbursements from the realisation of the assets. Further fees will be taken if there are recoveries.

Liquidators' fees in a Court ordered liquidation is 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. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

7 FUNDS / LIKELY OUTCOME

There will be a shortfall on the amount due to the General Security Agreement holder. At this stage therefore the liquidator does not anticipate paying a distribution to unsecured creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Attempt to recover and realise outstanding company assets
- Completion of the Registrar's investigation of the former director.

9 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators are unable to estimate when the liquidation will be completed..


10 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 16th day of October 2014

Realisations and Distributions

Quickearth Services Limited (In Liquidation) 17 April 2012 to 16 October 2014

Realisations	Cash Received \$
Debtors	22,565
Interest	2
Pre liquidation GST Refund	2,516
Total Realisations	\$25,083
Payments	
Liquidators Fees	
Liquidators Fees	17,822
Disbursements	864
Total Liquidators Fees	\$18,686
Other Costs of Liquidation and Trading On	
Legal Fees	1,640
Investigation & asset recovery expenses	1,000
Resident Withholding Tax	1
Bank Fees	65
Total Costs of Liquidation and Trading On	\$2,706
Distributions	
Preferential Applicant Creditor	3,691
Total Distributions to Creditors	\$3,691
Total Payments	\$25,083
BALANCE HELD	\$Nil

Note: the above figures are GST exclusive