

Tawil Holdings Limited (In Receivership & In Liquidation)

Liquidators' First Report

1 INTRODUCTION AND APPOINTMENT

Tawil Holdings Limited ("the company" or "Tawil") was placed into liquidation by the High Court at Auckland pursuant to Section 241(2)(c) of the Companies Act 1993 ("the Act") on 14 February 2014 upon the application of All Metals Trading Company Limited. Peri Micaela Finnigan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed jointly and severally as Liquidators of the company.

Kenneth Peter Brown and Paul Thomas Manning of BDO Tauranga Limited were appointed as Receivers of Tawil on 7 February 2014, pursuant to a General Security Agreement that was unregistered at the date of the Liquidators' appointment.

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:	30 October 2008	
Company number:	2181309	
Nature of business:	Steel fabrication	
Trading address:	7 Mana Place, Wiri, Manukau, Auckland	
Share capital:	743,869 Shares	
Shareholders:	Wrights Investments Limited	433,369 Shares
	Naiharn Investments Limited	96,811 Shares
	Eric Victor Jarvis	81,612 Shares
	Barry Wayne Sutherland	} 40,816 Shares Jointly
	Diane Christine Sutherland	
	Russell Peter Goodman	
	Geoffrey Michael Revill	40,816 Shares
	Laurence Carl Ryan	32,645 Shares
	Ian Gordon Duff	} 17,800 Shares Jointly
	Dean Watson Joiner	
	Michelle Macfarlane Joiner	
Director:	Hadley John Wright	
Related companies:	Eagle Wire Products Limited (In Liquidation and Receivership)	
	Faulkner Collins Limited (In Liquidation)	
	Master Maintenance Services Limited	
	Steel South Auckland Limited	
	Tawil China Imports Limited (Struck off)	
	Tawil Manufacturing Limited (Struck off)	
	Tawil Protection Limited (Struck off)	
	Weltai Investments Limited	
	Wire by Design Limited (In Receivership and Liquidation)	

The company was placed into liquidation by the High Court at Auckland. This was because the company failed to meet a demand for payment of a debt due as a guarantor of that debt.

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. If any creditor is interested or knows of any other party who may be interested in purchasing any of the assets, please advise us urgently.

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 five secured parties had registered security interests against the company on the Personal Property Securities Register ("PPSR").

Commercial Finance and Securities Limited ("Commercial Finance") are the first ranking secured creditor, having registered their interest on the PPSR on 17 November 2008. The debt owed to Commercial Finance is currently the subject of a legal dispute.

Heartland Bank ("Heartland") registered their security interest in Tawil on the PPSR on 29 December 2008 and is the second ranking secured creditor. Heartland's interest secures group debt currently totalling \$620,600.

As at 8 April 2014 the receivers of a company related to Tawil, Eagle Wire Products Limited (In Receivership & In Liquidation), were holding approximately \$220,000 from asset realisations in trust. We have been advised by the receivers that a court decision is pending in relation to which secured creditor has priority to these funds. The funds may therefore reduce the Heartland debt and / or the Commercial Factors debt.

The third ranking secured creditor is Bibby Financial Services Australia Pty Limited, having registered their security interest on 28 April 2009. The amount owed by Tawil is approximately \$219,012.

All Metals Trading Company Limited ("All Metals") is the fourth ranking secured creditor. All Metals leased premises to Tawil and registered their security interest on the PPSR on 21 August 2012. All Metals are currently owed \$405,577 for unpaid rent plus \$113,126 for costs related to remedial work to the leased premises and legal fees. All Metals are the applicant creditor of Tawil and the court has awarded \$20,649 of All Metal's costs as preferential.

Caniwi Capital Partners Limited registered their interest on the PPSR on 27 May 2013 and are the fifth secured creditor. The amount owed by Tawil is \$230,000.

A company related to the director, Wrights Investments Limited (“Wright’s Investments”), also has a GSA over Tawil’s assets. This security interest was used to appoint Receivers’ to Tawil and was not registered on the PPSR at the date of the liquidators’ appointment.

Personal Property Securities Act / Reservation of Title

Should any creditor believe that they are entitled to any goods, or proceeds from realisation of goods, due to holding a perfected Purchase Money Security Interest, 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 applicant creditor’s court awarded costs amount to \$20,649.

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 of approximately \$60.

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 is approximately \$2,087,262. 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, 11 April 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 Tracy Yelverton on DDI (09) 969 5336 or by email to tyelverton@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



PERI M FINNIGAN
LIQUIDATOR

DATED this *26* day of May 2014

Tawil Holdings Limited (In Receivership & In Liquidation) Statement of Affairs

Statement of Affairs for the above named company as at 14 February 2014 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

PREFERENTIAL CREDITORS	<i>Book</i>	<i>Estimated</i>
<i>Assets available for preferential creditors</i>	<i>Value</i>	<i>to Realise</i>
Accounts receivable	18,897	-
Total	<u>18,897</u>	-
 <i>Less preferential creditors</i>		
Applicant creditor		20,649
Inland Revenue Department		60
Total		<u>20,709</u>
 <i>Estimated deficiency as regards preferential creditors</i>		<u>(\$20,709)</u>
 SECURED CREDITORS	<i>Book</i>	<i>Estimated</i>
<i>Assets available for secured creditors</i>	<i>Value</i>	<i>to Realise</i>
Computer equipment	536	-
Office equipment and furniture	16,760	-
Investment in Eagle Wire Products (In Receivership & Liquidation)	700,000	unknown
Investment in Tawil China Imports (Struck off)	12,674	-
Investment in Master Maintenance Service	82,750	80,000
Loan to Epic Holdings (In Liquidation)	1,780,583	-
Total	<u>2,593,302</u>	<u>80,000</u>
 <i>Less secured creditors</i>		
Commercial Finance and Securities - first ranking GSA ¹ holder		130,000
Heartland Bank - second ranking GSA holder		620,600
Bibby Financial Services - third ranking GSA holder		219,012
All Metals Trading Company - fourth ranking GSA holder		498,054
Caniwi Capital Partners - fifth ranking GSA holder		230,000
Wrights Investments Limited		886,568
Total		<u>2,584,233</u>
 <i>Estimated deficiency as regards secured creditors</i>		<u>(\$2,504,233)</u>
 UNSECURED CREDITORS		
Estimated deficiency as regards preferential creditors		20,709
Estimated deficiency as regards secured creditors		2,504,233
Trade creditors		107,990
IRD - Fringe Benefit Tax		2,140
Intercompany advances		685,485
Loans from director and shareholders		687,844
Director's accrued remuneration and expenses		603,803
<i>Estimated deficiency as regards unsecured creditors</i>		<u>(\$4,612,203)</u>

Notes:

1. GSA = General Security Agreement.
2. There is no unpaid capital liable to be called up.
3. The above estimates are subject to the costs of the liquidation.
4. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
5. The GSA holders' claims will continue to accrue interest until fully paid.

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.

Tawil Holdings Limited (In Receivership & In Liquidation) Schedule of Creditor's Names and Addresses

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

Creditors Names	Address 1	Address 2	Address 3
A.B.T.R.O.N Enterprises	P O Box 12 386	Penrose	AUCKLAND 1642
All Metals Trading Company Limited	P O Box 12 286	Penrose	AUCKLAND 1642
Andrew Commons - Barrister	P O Box 1804	Shortland Street	AUCKLAND 1140
Barry Wayne and Diane Christine Sutherland	125 Shirriffs Road	PALMERSTON NORTH	
Bibby Financial Services Australia Pty Limited	Level 10, 418A Elizabeth Street	Sydney, NSW	AUSTRALIA
Caniwi Capital Partners Limited	3 / 11 Chews Lane	WELLINGTON	
Caroline Binion-Cooper			
Christopher Frame			
Commercial Finance & Securities Limited	P O Box 62 530	Greenlane	AUCKLAND 1546
Deacon & Milani Solicitors & Notary	GPO Box 1277	Brisbane, Queensland 4001	AUSTRALIA
Dean Watson and Michelle MacFarlane Joiner	29 St Georges Bay Road	Parnell	AUCKLAND
Eagle Wire Products Limited	C/- PKF Corporate Recovery & Insolvency	P O Box 3678	AUCKLAND 1140
Geoffrey Michael Revill	2 / 59 Killarney Street	Takapuna	AUCKLAND 0622
Hadley John Wright	7 Aotearoa Terrace	Murrays Bay	AUCKLAND 0630
Heartland Bank Limited	75 Riccarton Road	Riccarton	CHRISTCHURCH 8011
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
James Tennent	13 Drumquoin Rise	Dannemora Rise	HOWICK 2016
Laurence Carl Ryan	13A William Street	Takapuna	AUCKLAND 0622
Schnauer & Co	P O Box 31 272	Milford	AUCKLAND 0741
Staples Rodway	P O Box 3899	Shortland Street	AUCKLAND 1140
Steel South Auckland Limited	P O Box 276076	Manukau	AUCKLAND 2241
Telecom New Zealand Limited	P O Box 1473	CHRISTCHURCH	
Wrights Investments Limited	7 Aotearoa Terrace	Murrays Bay	AUCKLAND 0630
Yes Finance Limited	P O Box 23 008	Hunters Corner	AUCKLAND 2155

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Tawil Holdings Limited (In Receivership & In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of Tawil Holdings Limited (In Receivership & In Liquidation) ("the company"), does hereby fix Friday, the 11th day of April 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.


PERI M FINNIGAN
LIQUIDATOR

DATED this 26 day of May 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: 14 February 2014

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Tawil Holdings Limited (In Receivership & 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 Tracy Yelverton of this office on DDI (09) 969 5336 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.


PERI M FINNIGAN
LIQUIDATOR

DATED this 26 day of May 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

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: \$ _____