



SKEDGYS TRANSPORT LIMITED (IN LIQUIDATION)

Company number: 3743261
NZBN: 9429030763807

**Liquidators' Initial Report to Creditors and
Shareholders**

21 June 2021

1. Introduction

Skedgy's Transport Limited ("the Company") was placed into liquidation by special resolution of the shareholder, Paul Skedgwell, pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on the 14th day of June 2021 at 9:45 am. Kenneth Peter Brown, IP10 and Paul Thomas Manning, IP39, both Chartered Accountants and Licensed Insolvency Practitioners of Tauranga, were appointed as Joint and Several Liquidators of the company.

Liquidators of insolvent companies are required to be licensed insolvency practitioners. Further details regarding the regulation of insolvency practitioners is available from the Registrar of Companies at: www.companiesoffice.govt.nz/all-registers/insolvency-practitioners/

In accordance with section 255 of the Act we report on the Company's affairs together with our proposals for conducting the liquidation.

2. Restrictions

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without our written permission in each specific instance.

We do not assume any responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

We reserve the right (but will be under no obligation) to review this report and if we consider it necessary to revise the report in the light of any information existing at the date of this report which becomes known to us after that date.

3. Company information

Date of Incorporation:	5 March 2012	
Trading Address:	800 Rakaunui Road, Taupo.	
Type of business:	Transport Operator	
Date trading ceased:	April 2021	
Shareholder:	Paul Skedgwell	Number of Shares: 10
Director:	Paul Skedgwell	

4. Background and reasons for liquidation

The Director of the company has advised the reason for the failure of the Company was due to a series of events beginning with a company vehicle being involved in a fatal accident in April 2019. As a result the Police held the vehicle for a period of time, then after its release it took 9 months for repairs to be completed. Shortly after its return mechanical problems ensued and the vehicle was off the road for a further 3 months. During all this time off the road company income was seriously impacted. More importantly contracts were lost and with little or no work and therefore income, the director felt there was no option but to cease trading and liquidate the company. He arranged for the vehicles to be returned to the finance company and the staff were all paid off.

Attached as **Appendix 1** is the Interests Statement and Declaration of Independence, Relevant Relationships and Indemnities.



5. Statement of affairs

Attached at **Appendix 2** is the Statement of Affairs of the Company. This statement has been prepared based upon financial statements of the Company as at the date of our appointment and as such may be subject to change.

In preparing the statement we have relied on information provided by the Director of the Company and his external accountant. We have not carried out an audit of the information which has been provided, nor have we subjected the information provided to detailed verification procedures. While we believe the statement, based on the information provided to us, reasonably reflects the position of the Company, we cannot be held responsible for inaccuracies in the report arising from deficiencies in the information or explanations given to us.

6. Creditors

List of creditors

Attached as **Appendix 3** is a full list of the known names and addresses of creditors in accordance with section 255(2)(c)(ii)(C) of the Act.

Unsecured creditor claims

We attach as **Appendix 4** our Public Notice which sets 30 July 2021 as the day on or before which the creditors of the Company are to make their claims, and to establish any priority their claims may have under section 312 of the Act or to be excluded from the benefit of any distribution made before the debts are claimed or from objecting to the distribution.

Please complete the Unsecured Creditor's Claim form attached as **Appendix 5** and return to us at the following address or by fax or email:

The Liquidators
Skedgys Transport Limited (In Liquidation)
C/- BDO Tauranga Limited
PO Box 15660
TAURANGA 3144
Email: hayley.cameron@bdo.co.nz
Fax: (07) 571 6281

It is too early to reliably estimate what funds, if any, will be available for preferential and unsecured creditors.

Secured creditors notice

Creditors claiming a security interest (including retention of title or other claims) in the Company's assets who:

- have not advised the Liquidators of their security interest; or
- have not received correspondence from the Liquidators concerning their security interest,

Should contact the Liquidators immediately and should not file a claim as an unsecured creditor unless they wish to surrender their charge to the Liquidators.



This report constitutes notice under section 305 (8) of the Act to any secured creditor receiving it that pursuant to section 305 (8) of the Act, you as a secured creditor of the Company are required to (unless you have already advised the Liquidators in writing of such an election or have already received such a notice) elect and notify the Liquidators in writing within 20 working days after receipt of this notice, which of the following powers they wish to exercise:

- a. Realise the property subject to your charge, if entitled to do so; or
- b. Value the property subject to your charge and claim in the liquidation as an unsecured creditor for the balance due, if any; or
- c. Surrender the charge to the Liquidators for the general benefit of creditors and claim in the liquidation as an unsecured creditor for the whole debt.

Pursuant to section 305(9) of the Act, if a creditor fails to notify the Liquidators in compliance with this notice by 30 July 2021, they will be taken as having surrendered their charge to the Liquidators for the general benefit of creditors and they may then claim in the liquidation as an unsecured creditor for the whole debt.

Creditors meeting

In accordance with section 245 of the Act, for the reasons given in the formal notice attached at **Appendix 6**, we have dispensed with the meeting of creditors.

7. Proposals for conducting the liquidation

The Liquidators will obtain the bank funds and liaise with the finance company involved to establish whether there is any equity in the vehicles returned. They will also check to see if there are any other available assets but at this stage it only appears that the bank balance is all that is available. This will be undertaken within the first week of appointment, that is by 18 June 2021.

In addition, over the next two months or by 20 August 2021, the Liquidators will review the Company's books and records to establish if there are any potentially voidable transactions, any potential shareholder current account issues and ensure the Director has complied with the duties and obligations imposed on him under the Companies Act 1993.

There are no known legal proceedings to which the company is a party. A statutory demand had been served by a creditor but the Liquidators understand no further action had been taken with that and have written to the party involved.

Once the Liquidators have completed their tasks, they will then seek to have the Company removed from the register.

8. Estimated date of completion

It is not practical to estimate the date of the completion of the liquidation at this stage. Our subsequent six monthly reports to creditors will, when appropriate, advise of an estimated completion date.



9. Contact information

If you require any further information or if you have any information that will be of assistance to the Liquidators, please direct enquiries to:

Denise Cooper
Phone: 07 571 6280
Email: denise.cooper@bdo.co.nz

BDO Tauranga Limited
PO Box 15660
TAURANGA 3144

Level 1
525 Cameron Road
TAURANGA 3110

Dated this 21 June 2021

A handwritten signature in black ink, appearing to read 'Ken Brown', written over a horizontal line.

Kenneth Peter Brown
Liquidator

A handwritten signature in black ink, appearing to read 'Paul Manning', written in a cursive style.

Paul Thomas Manning
Liquidator



APPENDICES

Appendix 1 - Interests Statement & Declaration of Independence, Relevant Relationships and Indemnities

SKEDGYS TRANSPORT LIMITED (IN LIQUIDATION)
Coy No: 3743261 NZBN: 9429030763807
("COMPANY")

(Pursuant to section 255A of the Act and the Code)

This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - i the circumstances of the appointment;
 - ii any relationships with the Company and others within the previous 24 months;
 - iii any prior professional services for the Company within the previous 24 months;
 - iv that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our co-directors and BDO Tauranga Limited.

A. Independence

We, Kenneth Peter Brown and Paul Thomas Manning, of BDO Tauranga Limited have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint Liquidators of the Company in accordance with the law, RITANZ Code of Conduct and applicable professional standards. This assessment identified no real or potential risks to our independence. We have evaluated the significance of any real or potential risk to Independence and taken such action as is necessary to preserve the Practitioner's Independence. In all cases, we are not otherwise aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of Relationships

i Circumstances of appointment

This appointment was referred to us by Mark McKenzie of Accounting Services, accountant to the Company.

Kenneth Brown received a telephone call on 2 June 2021 from Mark McKenzie, the Company's external accountant, requesting an appointment to discuss his client's affairs. As a result, a meeting was arranged, and Kenneth Brown met with the director and the company accountant on 14 June 2021 at our BDO offices. This meeting was to advise of the liquidation process and to determine whether a liquidation was appropriate. This was the first time Kenneth Brown had met the shareholder. At that meeting the shareholder elected to place the Company into liquidation.

Subsequently we were appointed by a special resolution of the Company's shareholders pursuant to section 241(2)(a) the Companies Act 1993.

We believe that this referral does not result in a conflict of interest or duty because:

- i. It is recognised there is a need for practitioners to provide advice on an insolvency process and the options available for the Company. It is not considered that such advice results in a conflict or is an impediment to accepting the appointment;

We agreed to accept nomination as Liquidators but have provided no information or advice to the Company or its Directors prior to our appointment beyond that outlined in this DIRRI.

- ii **Relevant Relationships (excluding Professional Services to the Insolvent)**

Other than disclosed herein, neither we, nor our firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over on the whole or substantially whole of the Company's property.

There are no other prior professional or personal relationships that should be disclosed.

- iii **Prior Professional Services to the Insolvent**

Neither we, nor our Firm, have provided any professional services to the Company in the previous 24 months, other than those outlined herein.

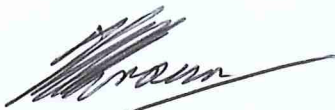
- iv **No other relevant relationships to disclose**

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to Skedgys Transport Limited or any person or entity that has a valid and enforceable security interest on the whole or substantially the whole of the Company's property that should be disclosed.

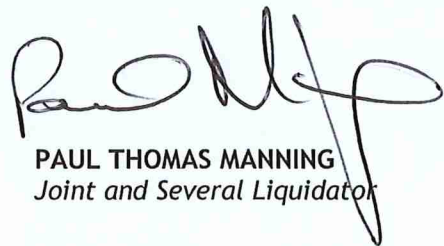
C. Indemnities and up-front payments

We have not been indemnified in relation to this liquidation, other than any indemnities that we may be entitled to under statute and We have not received any up-front payments in respect of my/our remuneration or disbursements.

Dated: 14 June 2021



KENNETH PETER BROWN
Joint and Several Liquidator



PAUL THOMAS MANNING
Joint and Several Liquidator

Appendix 2 - Statement of affairs

Statement of Affairs of		
Skedgys Transport Limited (In Liquidation)		
As at the date of the appointment of the Liquidators being 14 June 2021		
	<i>Note</i>	<i>Estimated to realise \$</i>
Assets		
Vehicles	1	<i>Unknown</i>
Debtors	2	<i>Nil</i>
Bank		43,591
		43,591
Less secured creditors:	1	<i>Unknown</i>
Surplus before preferential & unsecured creditors		43,591
Preferential creditors:		
New Zealand Police - fines		2,420
Staff	3	<i>Nil</i>
IRD - PAYE/GST	4	<i>Unknown</i>
Surplus before unsecured creditors	4	41,171
Unsecured creditors:		
Accounts payable		137,650
IRD - GST penalties & interest	4	<i>Unknown</i>
IRD - PAYE penalties & interest	4	<i>Unknown</i>
IRD - Income Tax assessed	4	<i>Unknown</i>
Estimated deficit (subject to costs of liquidation)		<i>Unknown</i>
<p>As there will be a deficit there is unlikely to be any funds available for unsecured creditors with all available funds required for preferential claims, which includes Liquidation fees, the extent of which are unknown at this stage, as they depend on what issues arise and the time taken to resolve.</p> <p>As the IRD claim has not yet been received we are unable to advise what may be paid.</p>		
Notes		
Note 1: The Director returned the vehicles to the finance company prior to the liquidation. It is unclear at this stage whether there is any equity in the vehicles		
Note 2: All debtors had been collected prior to the liquidation		
Note 3: The staff had been paid out and found new positions prior to the liquidation		
Note 4: The Liquidators await a claim from the Inland Revenue Department. This is expected to be in the vicinity of \$300,000 of unpaid GST.		
Disclaimer		
<p><i>This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report and BDO Tauranga Limited have not audited the report and they, their directors, employees or contractors accept no liability to any other party in relying on the information presented. The purpose of the report is to give creditors of the company an indication of the financial position of the company as at the date of the appointment of the liquidators.</i></p>		

Appendix 3 - List of creditors

Name	Address 1	Address 2	Address 3
Heartland Bank	75 Riccarton Road	Riccarton	Christchurch 8011
Dudley Mechanical & Parts Limited	PO Box 883		Taupo 3351
Parts & Services Limited	PO Box 749		Taupo 3351
Mobile Mechanical Solutions Limited	21 Bisley Street	Cloverlea	Palmerston North 4412
Kiwibank Limited	Private Bag 39888		Wellington 5045
TR Group Limited	PO Box 12541	Penrose	Auckland 1642
Buckton Auto Electrical Limited	PO Box 2056		Taupo 3351
Central Trim Limited	PO Box 732		Taupo 3351
Cookies NZ Limited	PO Box 354		Te Puke 3153
Cortex NZ Limited	73 Remuera Road	Newmarket	Auckland 1050
Dion McKenzie			Wellington 5026
Ebbett Waikato Limited	PO Box 20579	Te Rapa	Hamilton 3241
Genesis Energy Limited	Private Bag 3131	Waikato Mail Centre	Hamilton 3240
Hawkes Bay Trim & Canvas Limited	500 Williams Street		Hastings 4120
Inland Revenue	PO Box 39010		Lower Hutt 5045
Le Pine & Co	PO Box 140		Taupo 3351
Ministry of Justice	Central Registry	SX10042	Wellington
Neil's Tyres Limited	PO Box 634		Taupo 3351
Spark	PO Box 1473		Christchurch
Taupo Rigging Limited	PO Box 853		Taupo 3351
TP Diesel Services Limited	PO Box 5122	Rotorua West	Rotorua
Truck Alignments Limited	PO Box 214		Te Puke 3153
Truck Curtain Repairs Limited	179 Dawson Road	Flat Bush	Auckland 2023
VC Tyres Limited/Advantage Tyres	PO Box 913		Taupo 3351



Appendix 4 - Public notice of appointment

SKEDGYS TRANSPORT LIMITED (IN LIQUIDATION)
COMPANY NUMBER 3743261
("the Company")

NOTICE OF APPOINTMENT OF LIQUIDATORS
AND
NOTICE TO CREDITORS TO CLAIM

Pursuant to Section 255(2)(a) and
Liquidation Regulation 12 of the Companies Act 1993

Kenneth Peter Brown AND Paul Thomas Manning, both Chartered Accountants and Licensed Insolvency Practitioners of Tauranga, were appointed joint and several liquidators of the Company by special resolution of the shareholder on 14 June 2021 at 9:45am.

NOTICE is hereby given that as joint and several liquidators of the Company, we fix 30 July 2021, as the day on or before which the creditors of the Company are to make their claims, and to establish any priority their claims may have under section 312 of the Companies Act 1993 or to be excluded from the benefit of any distribution made before the debts are claimed, or as the case may be, from objecting to the distribution.

Creditors and shareholders may direct enquiries during normal business hours to:

Denise Cooper

Postal Address BDO Tauranga Limited
 PO Box 15660
 Tauranga 3144

Telephone (07) 571 6280

Facsimile (07) 571 6281

Email denise.cooper@bdo.co.nz <http://www.bdo.co.nz/>

Dated this 21 June 2021

Kenneth Peter Brown
Joint Liquidator



Appendix 5

UNSECURED CREDITORS CLAIM FORM

Section 304(1) Companies Act 1993

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL Principal Contact: E-mail Address: Telephone Number: My Reference is: (if applicable)	* Any personal information collected is for the purpose of administering the claims in accordance with the Companies Act 1993. The information will be used and retained by BDO Tauranga Limited and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993. Any claim by an unsecured creditor against a company in a 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 entity within the meaning of the Privacy Act 1993)
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NAME OF COMPANY: **Skedgys Transport Limited (In Liquidation)**

I, (Name).....
 (If claim is made on behalf of creditor, specify relationship to creditor and authority)
 claim that the company was at the date of liquidation indebted to the above-named creditor for the sum of (Amount in words and figures):

 \$.....

STATUS OF CLAIM: 1. I hold no security for the claimed amount 2. I am surrendering the security I hold and I am claiming as an unsecured creditor 3. I am making a preferential claim (Refer details on reverse) 4. I am claiming reservation of title rights pursuant to rights held by me (Refer details on reverse)	TICK <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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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 liquidators 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:
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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
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Received (Date Stamp)	RESERVED FOR OFFICE USE: Claim admitted/rejected for voting purposes: Signed: Date (Delete one)				
	<table style="width:100%;"> <tr> <td style="width:33%;"> CLAIM REJECTED FOR PAYMENT: Preferential Claim for: \$ </td> <td style="width:33%;"> Ordinary Claim for \$ </td> </tr> <tr> <td> or CLAIM ADMITTED FOR PAYMENT: Preferential Claim for: \$ </td> <td> Ordinary Claim for \$ </td> </tr> </table>	CLAIM REJECTED FOR PAYMENT: Preferential Claim for: \$	Ordinary Claim for \$	or CLAIM ADMITTED FOR PAYMENT: Preferential Claim for: \$	Ordinary Claim for \$
CLAIM REJECTED FOR PAYMENT: Preferential Claim for: \$	Ordinary Claim for \$				
or CLAIM ADMITTED FOR PAYMENT: Preferential Claim for: \$	Ordinary Claim for \$				
	<table style="width:100%;"> <tr> <td style="width:60%;">Signed Liquidator:</td> <td style="width:40%;">Dated</td> </tr> </table>	Signed Liquidator:	Dated		
Signed Liquidator:	Dated				

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 \$
	<p><i>If applicable, less any purchase money security interests in relation to goods supplied by creditor to the company [Describe goods]</i></p> <p><i>If applicable, less debts owed by creditor to the company [Describe goods]</i></p> <p>RETENTION OF TITLE CLAIMANTS ONLY Please provide details of the basis of your retention of title claim and furnish a copy of the documentation showing that such reservation of title clause is a condition of contract.</p>	

PREFERENTIAL CLAIMANTS ONLY

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.

1. Are you claiming the full amount of your claim as preferential? Yes / No
2. If no, what part of the claim is preferential? \$.....
3. Why do you believe you are a preferential creditor?
(e.g. Employee, IRD, NZ Customs).....
4. Details of your claim:.....

If applicable please record here your GST Registration number:

And total GST included in your claim: \$.....

Return to: BDO Tauranga Limited
PO Box 15660, Tauranga 3144
Or email: hayley.cameron@bdo.co.nz

Appendix 6

SKEDGYS TRANSPORT LIMITED (IN LIQUIDATION)
COMPANY NUMBER 3743261
("the Company")

Notice of Liquidators Decision to Dispense with Meetings of Creditors
(Pursuant to section 245 Companies Act 1993)

Kenneth Peter Brown and Paul Thomas Manning, both Chartered Accountants and Licensed Insolvency Practitioners of Tauranga, were appointed joint and several liquidators of the Company by special resolution of the shareholders on 14 June 2021 at 9:45am.

We do not consider that a meeting of creditors should be held because there are insufficient assets to meet the cost of holding such a meeting and there are limited prospects of funds being available for payment of a dividend to creditors other than to those who hold specific security or have a preferential claim.

No meeting of creditors will be called unless we receive notice in writing from a creditor requiring us to hold a meeting of creditors pursuant to section 314 of the Companies Act 1993 within 10 working days of their receipt of this notice. However, the liquidators reserve the right to not hold a meeting if it is felt the request is frivolous or there are no available funds to cover the costs involved.

Notices should be forwarded to:

Postal Address	BDO Tauranga Limited PO Box 15660 Tauranga 3144
Telephone	(07) 571 6280
Facsimile	(07) 571 6281
Email	denise.cooper@bdo.co.nz http://www.bdo.co.nz/

Dated this 21 June 2021



Kenneth Peter Brown
Joint Liquidator