

Keith Operating Limited (In Liquidation)

Liquidators' First Report

1 INTRODUCTION AND APPOINTMENT

Keith Operating 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 11 December 2015. Jared Waiata Booth and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed as joint and several liquidators of the company.

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, 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 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:	9 December 2014
Company number:	5521865
Date ceased trading:	30 November 2015
Nature of business:	Gym Management
Trading address:	Newmarket, Auckland

McDONALD VAGUE LIMITED

Level 10, 52 Swanson Street, Auckland CBD
PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 09 303 0506, Facsimile 09 303 0508, insol@mvp.co.nz, www.mvp.co.nz
Member of Insol International. Consultants to the Accounting and Legal Professions.

Share capital:	100 Shares
Shareholder:	Wendy Jennifer Mackay
Director:	Wendy Jennifer Mackay
Related companies:	Skin Street Limited (Director/Shareholder) Swift Debt Enforcement Limited (Shareholder)

The liquidators have been advised that the company failed due to poor trading and performance of some fitness gyms in the group. The company director advised that the company had accrued tax arrears with the Inland Revenue Department and they were unable to settle the debt. The director also advised that the company was set up to manage fitness gyms owned by other entities and has no physical assets.

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 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

At the date of liquidation two secured parties had registered security interests against the company on the Personal Property Securities Register.

- Quadrent Limited
- Smartpay Rental Services Limited

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 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

We are in the process of determining if there are any unpaid wages, holiday pay or redundancy pay owing to former employees.

The Inland Revenue Department has not yet provided us with a creditor's claim form but we understand that there is approximately \$140,216 due in respect of GST, PAYE and other payroll deductions.

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 \$196,313. 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 4. Also enclosed is a creditor's claim form for completion and return to this office by Monday, 1st February 2016. 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 3.

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

The Liquidators believe the liquidation may be concluded within six months.

11 CONTACT DETAILS

Enquiries should be directed to Echo Li on DDI (09) 306 3338 or by email to eli@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 22nd day of December

Keith Operating Limited (In Liquidation)

Statement of Affairs

Statement of Affairs for the above named company as at 11 December 2015 (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>
<i>Two securities are registered on the Personal Property Securities Register</i>				
Quadren Limited (refer note 3)	-	26,148	26,148	-
Smartpay Rental Services Limited (refer note 3)	-	7,596	7,596	-
<i>Estimated (deficiency) as regards specifically pledged assets</i>	\$ -	\$ 33,744	\$ 33,744	\$ -

ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS	<i>Book Value</i>	<i>Estimated to Realise</i>
Accounts receivable (refer note 4)	15,000	15,000
Total	15,000	15,000

<i>Preferential creditors</i>	
Employees (refer note 5)	Unknown
Inland Revenue Department - Principal (refer note 6)	140,216
Total	140,216
<i>Estimated deficiency as regards preferential creditors</i>	(\$125,216)

LESS SECURED, PREFERENTIAL, AND UNSECURED CREDITORS	
Estimated deficiency as regards Secured Creditors	33,744
Estimated deficiency as regards preferential creditors	125,216
Trade creditors	163,350
Refunds for Membership Fees	Unknown
Inland Revenue Department (Penalties and Interest)	33,043
<i>Estimated (deficiency) as regards secured, preferential and unsecured creditors</i>	(\$355,353)

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. Both creditors are holding security over equipments leased/ rented to the company.
4. The amount has been advised by the former director.
5. We understand there are outstanding unpaid wages. We are in the process of determining the amount.
6. The liquidators have been advised that some gym subscriptions should be refunded, these are unsecured claims in the liquidation.
The amount will be updated once the liquidators receive the schedule.

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.

Keith Operating Limited (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	
All Card Services Limited	3 Shaddock Street	Mt Eden	AUCKLAND 1024
Big Ask Imports Limited	829 West Coast Road	Oratia	AUCKLAND 0604
BT Plumbing & Gas Limited	P O Box 79 398	Royal Heights	AUCKLAND 0656
Carpet Court	383 Khyber Pass Road	Newmarket	AUCKLAND 1023
Centrix Group Limited	P O Box 62 512	Greenlane	AUCKLAND 1546
Contact Energy	P O Box 38 097	Wellington Mail Centre	LOWER HUTT 5045
Drain Repair Company Limited	235 Dairy Flat Highway	Albany	AUCKLAND 0632
Dreams Electrical Limited	13 Cumberland Street	NEW PLYMOUTH 4312	
Eftpos New Zealand Limited	P O Box 3457	WELLINGTON 6140	
Electriserv Limited	P O Box 12 936	Penrose	AUCKLAND
Elite Fitness	11 George Bourke Drive	Mt Wellington	AUCKLAND
Energy Online	435 Khyber Pass Road	Newmarket	AUCKLAND 1023
Fuma Care	P O Box 21 453	Henderson	AUCKLAND 0610
Genesis Energy	Private Bag 3131	HAMILTON	
Health Discovery Limited	5 Buttle Street	Remuera	AUCKLAND 1050
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
J J Richards & Sons NZ Limited	24 Langley Road	Wiri	AUCKLAND 2104
Just Water	a division of Just Water International Limited	Private Bag 92 811, Penrose	AUCKLAND 1642
Locksmiths Auckland Limited	Private Bag 92 008	AUCKLAND 1142	
Mercury Energy	P O Box 6315	Wellesley Street	AUCKLAND 1141
OneMusic	P O Box 3009	NEW PLYMOUTH	
Plumbtech Taranaki	31 Spring Street	Freemans Bay	AUCKLAND
Quadrent Limited	Private Bag 92 905	Onehunga	AUCKLAND 1643
Rentokil Initial			

Appendix 2

Creditor Names	Address 1	Address 2	Address 3
Rush Security	P O Box 99 808	Newmarket	AUCKLAND 1149
Seek	Level 6 - 541 St Kilda Road	Melbourne, VIC 3004	AUSTRALIA
Smartpay Rental Services Limited	P O Box 100 490	North Shore Mail Centre	AUCKLAND 0745
Spark NZ Trading Limited	P O Box 1473	CHRISTCHURCH 8140	
Strictly Body Corporate Limited	2-13/72 Dominion Road	Mount Eden	AUCKLAND 1024
Tiger Transport	P O Box 14 043	Panmure	AUCKLAND 1704
Tom & Luke Limited	C/- 73b Landscape Road	Mount Eden	AUCKLAND 1024
Veda Advantage (NZ) Limited	Private Bag 92 156	Victoria Street West	AUCKLAND 1142
Xplosiv Supplements	6/6 Westgate Drive	Massey	AUCKLAND 0614

Employees

Anise Walker
 Cheryl Goffin
 Ella Kumar
 Gurpret Sidhu
 Julia Garcia
 Kiri Spiotta
 Louisa Clark
 Maya Crawley
 Meredith Gallagher
 Natalie Fester
 Natanya Da Costa
 Olga Samokhavalova
 Patrick Powdrell
 Rebekah Bell
 Sarah Moyes

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Keith Operating Limited (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 Echo Li of this office on DDI (09) 306 3338 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 22nd day of December 2015

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Keith Operating Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of Keith Operating Limited (In Liquidation) ("the company"), does hereby fix Monday the 1st day of February 2016, 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 22nd day of December 2015

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: 11 December 2015

Unsecured Creditor's Claim

(Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993

(For help see www.mvp.co.nz or email
claims@mvp.co.nz)

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:

1. I am an unsecured creditor for
(Also applicable to secured creditors who hereby surrender their security)

\$

2. I am a preferential creditor for
(Refer details on reverse)

\$

3. My total claim is for
(State currency if other than \$NZ)

Other
Currency

NZ \$

4. I have claimed retention/reservation of title rights pursuant to rights held by me

Tick if Applicable ☐

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)

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: / /

Preferential Claim for:

Ordinary Claim for:

CLAIM REJECTED
FOR PAYMENT:

\$

\$

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.

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: _____

\$