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Digital Logistics Group Limited (In Liquidation) Liquidator's First Report to Creditors and Shareholders

24 June 2019

1. Background

Digital Logistics Group Limited (In Liquidation) ("the Company") was placed into liquidation by special resolution of the shareholders on the 19th day of June 2019 at 8:00am. Thomas Lee Rodewald, Chartered Accountant of Tauranga was appointed as Liquidator of the company.

2. Disclaimer

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 written permission in each specific instance. The Liquidator does not accept any responsibility or liability for any damage or loss occasioned to any party as a result of the circulation, publication, reproduction or use of this report. In particular the Liquidator takes no responsibility for any misinformation contained therein that has been supplied by the company, its officers or any other person. The report is also based upon information available at this date, and the Liquidator therefore reserves the right to review, and if necessary, amend the report.

3. Declaration of Independence, Relevant Relationships and Indemnities

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

4. Company Information

Date of Incorporation:	29 April 1996	
Type of business:	Import and Distribution	
Shareholders:	Grant Victor Eveleigh } Fencible 4057 Limited }	Number of Shares: 99
	Grant Victor Eveleigh	Number of Shares: 1
Director:	Grant Victor Eveleigh	

5. Events Leading to Appointment of Liquidators

The Director of the company has advised that earlier this year the Westpac Bank withdrew its support. As a result the business was sold, however the proceeds were insufficient to cover all liabilities. After discussions with advisors a decision was made to liquidate the Company.

6. Statement of Affairs

We attach as **Appendix 2** a statement of the Company's affairs as at the date of our appointment.

This has been prepared from information provided by the director of the Company and the Liquidator is not yet able to express an opinion on the validity of that information.

Also attached as **Appendix 3** is a list of known creditors as at the date of appointment.

7. Proposals for Conducting the Liquidation

The Liquidator will sell the remaining stock, collect outstanding debtors, 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.

8. Estimated Date of Completion of Liquidation and Notice As To Further Reports

It is not practicable to estimate the date of the completion of the liquidation at this stage. Further reports will be issued six monthly, with a final report at the conclusion of the liquidation.

9. Creditors Meeting

Having regard to the assets and liabilities of the company, the likely result of the liquidation and other relevant matters, the Liquidator considers in accordance with section 245 of the Companies Act 1993 that no such meeting should be held.

A meeting will not be called unless within 10 working days after receiving this notice a creditor gives notice in writing to the Liquidators requiring a meeting to be called.

The Liquidator dispenses with holding a creditors meeting pursuant to Section 243 of the Companies Act 1993 as the dividend is expected to be nil or very small.

In accordance with Section 314 of the Companies Act 1993 a creditor or shareholder may request the Liquidator to call a meeting of creditors or shareholders at any time in the course of the Liquidation to vote on a proposal that a Liquidation Committee be appointed to act with the Liquidator. This request must be in writing.

The Liquidator may decline a request by a creditor or a shareholder to call a meeting on the grounds that:

- a) the request is frivolous or vexatious; or
- b) the request was not made in good faith; or
- c) the costs of calling the meeting would be out of proportion to the value of the company's assets.

The decision to decline a request may be reviewed by the Court on the application of any creditor or shareholder.

10. Creditors Claims

If your terms of trade with the company include reservation of title of goods supplied please contact Denise Cooper by email on denisec@rodewaldconsulting.co.nz.

Please complete and return the enclosed Unsecured Creditors Claim form by 2 August 2019 to P O Box 15543, Tauranga 3144. If you believe that you are a secured creditor please contact our Tauranga office and the appropriate forms will be sent to you.

Completion of your claim should be given your urgent attention. If creditors do not lodge a claim with the Liquidator, the creditor is not entitled to share in any distribution to creditors that may be made by the Liquidator.

11. Further Information

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Denise Cooper at our Tauranga Office.



Thomas Lee Rodewald
Liquidator

Declaration of Independence, Relevant Relationships and Indemnities

DIGITAL LOGISTICS GROUP LIMITED (IN LIQUIDATION)

Reg No: 805496 ("COMPANY")

This document requires the Practitioner 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 me and Rodewald Consulting Limited.

A. Independence

I Thomas Lee Rodewald of Rodewald Consulting Limited have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator 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 my independence. I 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, I am not otherwise aware of any reasons that would prevent me from accepting this appointment.

B. Declaration of Relationships

i Circumstances of appointment

This appointment was referred to me by Paul Wilson of DPA, the Company's Director's Accountant by way of email on Monday 10 June 2019. Subsequent discussions were held with Paul and documents were sent to him to arrange for signing. Issues arose over signing of the Shareholder resolution which were not resolved until late on 18 June 2019. In the intervening period the company Director Grant Victor Eveleigh and DPA provided financial information on the basis the liquidation would proceed.

A meeting was held on 18 June 2019 with the company accountant Paul Wilson and the Director Grant Eveleigh to discuss the liquidation process.

In my opinion, these discussions and meeting do not result in a conflict of interest or duty because:

- 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;

- I did not charge any fees for the advice given by email or during the first meeting or telephone conversations;
- The nature of the advice provided during the first emails, meeting and telephone conversations is such that it would not be subject to review and challenge during the course of our appointment; and
- The pre-appointment advice will not influence my ability to be able to fully comply with the statutory and fiduciary obligations associated with my appointment in an objective and impartial manner.

ii Relevant Relationships (excluding Professional Services to the Insolvent)

Other than disclosed herein, neither myself, nor my firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company or any person or entity that has security over on the whole or substantially whole of the Company's property except that we have a normal banking relationship with Westpac Bank who have loaned money to the Company.

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

iii Prior Professional Services to the Insolvent

Neither myself, nor my 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 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

I 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 our remuneration or disbursements.

Dated: 19 June 2019



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THOMAS LEE RODEWALD
Liquidator

Statement of Affairs as at the date of the appointment of the Liquidators being 19 June 2019			
	Notes	Book Value	Estimated to realise
Assets		\$	\$
Debtors		58,100	35,000
Shareholder Current Account	1	<i>Unknown</i>	<i>Unknown</i>
Stock		52,900	20,000
Westpac - Security Account	2	508,088	508,088
		<i>Unknown</i>	<i>Unknown</i>
Less Secured Creditors:			
Westpac New Zealand limited			1,161,546
Ricoh New Zealand limited			<i>Unknown</i>
			1,161,546
Less Preferential Creditors			
IRD - PAYE, KSE, KSR, SL			29,443
IRD - GST			41,133
NZ Customs			24,725
			95,301
Surplus before unsecured creditors			<i>Unknown</i>
Unsecured creditors:			
IRD - penalties & Interest			4,239
Trade Creditors - excluding PPSR charges			133,807
Claims by new owner	3		10,509
			148,555
Estimated deficit (subject to costs of Liquidation)			<i>Unknown</i>
<i>Note 1: The quantum of the overdrawn shareholder current account has yet to be finalised</i>			
<i>Note 2: It is expected that Westpac will offset this sum against their liability balance</i>			
<i>Note 3: Prior to Liquidation a number of debtors incorrectly paid in to DLG bank account payments due to the new owner</i>			
Disclaimer			
This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report and Rodewald Consulting Limited have not audited the report and they, their directors or employees 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.			
Rodewald Consulting Limited			

Digital Logistics Group Limited (In Liquidation)
Schedule of Creditors as at 19 June 2019

Name	Address 1	Address 2	Address 3
Advance Publishing Limited	PO Box 76 503	Manukau	Auckland 2241
Alpine Fresh Finance Limited	PO Box 109-024	Newmarket	Auckland 1149
Auckland Fortruck Hire	PO Box 12506	Penrose	Auckland 1642
Baldwin Shelston Waters	PO Box 5999	Wellesley Street	Auckland 1010
Card Smart Drive	Private Bag 99918	Newmarket	Auckland 1149
Centurion-DMP	11 McDonald Street	Sandringham	Auckland 1025
Crest Commercial Cleaning Limited	PO Box 740		Dunedin 9054
Custom Fleet NZ	PO Box 3630		Auckland 1010
D.J. Sawden & Associates	PO Box 14-380	Panmure	Auckland 1741
Deadline Express	PO Box 91-380	Victoria Street West	Auckland 1142
DHL	PO Box 13 509	Onehunga	Auckland 1643
Electronic Design Solutions	9 Titoki Place	Pukete	Hamilton 3200
Elgas Limited	Private Bag 93300	Otahuhu	Auckland 1640
Energise Web Design	81 Kamo Road	Kensington	Whangarei 0110
Famous Pacific Shipping	5-7 Amelia Earhart Avenue	Airport Oaks	Auckland 2022
Fastway Couriers	118 Hugo Johnston Drive	Penrose	Auckland 1061
Fire Protection Services Limited	6 Airborne Road	Rosedale	Auckland 0632
Formula	23 Ross Reid Place	East Tamaki	Auckland 2016
Market Place Media Limited	PO Box 28372	Remuera	Auckland 1541
Mercury Energy	PO Box 445		Hamilton 3240
New Zealand Customs	PO Box 29		Auckland 1140
Next Media	Locked Bag 5555	St Leonards, NSW	Australia 1590
NZ Hot Rod Mag	PO Box 8		Waipua 0545
Packaging Recyclers (1992) Limited	36 Bancroft Crescent	Glendene	Auckland 0602
Parkside Media Limited	PO Box 46020	Herne Bay	Auckland 1147
Primepac	15 Orbit Drive	Mairangi Bay	Auckland 0632
Ricoh New Zealand Limited	PO Box 68024	Newton	Auckland 1141
RNR Publishing Limited	PO Box 220	Martinborough	Wairarapa 5741
Sensium	PO Box 8447	Symonds Street	Auckland 1150
Spark NZ	Private Bag 4742		Christchurch 8140
StraitNZ (Streamline)	50 Murrin Road	St Johns	Auckland 1072
Teamyon Limited T/A Revolution IT	774 Great South Road	Penrose	Auckland 1061
Vodafone	PO Box 1433		Auckland 1140
Westpac New Zealand Limited	Westpac Legal	16 Takutai Square	Auckland
YellowPages Group Limited	PO Box 17 345	Greenlane	Auckland 1546

CREDITORS CLAIM FORM

(Also for use by Preferential Creditors)
Section 304 (1) Companies Act 1993

Name and postal address of creditor in full Telephone number: My reference is: (if applicable) E-mail address: <input type="checkbox"/> I consent to receiving future information about the company by email	*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 Rodewald Consulting Limited and will be released to other parties only with your authorization 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.)
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Digital Logistics Group Limited (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 above named creditor for the sum of [amount in words and figures]:

\$ _____

STATUS OF CLAIM: 1. I am an unsecured creditor 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 of reverse) 4. I am claiming reservation of title rights pursuant to rights held by me (Refer details on reverse)	TICK <table border="1" style="margin: auto;"> <tr><td style="width: 20px; height: 20px;"></td></tr> <tr><td style="width: 20px; height: 20px;"></td></tr> <tr><td style="width: 20px; height: 20px;"></td></tr> <tr><td style="width: 20px; height: 20px;"></td></tr> </table>				

Full particulars of the claim are set out, and any supporting documents that substantiate the claim are identified on the reverse of the form. *(Please include copies of all unpaid invoices)*

Signed:	Date:
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WARNING:-	It is an offence under section 304(6) of the Companies Act 1993 to:- Make, or authorize the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or Omit, or authorize 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 for voting purposes: Signed: Date: Claim rejected for voting purposes: Signed: Date: Claim rejected for payment: Signed: Date: Preferential claim for: Ordinary Claim for: Deferred Claim for: \$ \$ \$ Signed Liquidator: Dated:
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.	

Please return this form to:
Rodewald Consulting Ltd, PO Box 15543, Tauranga 3144
carolc@rodewaldconsulting.co.nz

PARTICULARS OF CLAIM

Date	Details of claim and Identification of Documents that Evidence or Substantiate the Claim (i.e., unpaid invoices)	Amount \$
	<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> <p align="right">Yes/No \$.....</p> <p>PREFERENTIAL CLAIMANTS ONLY</p> <p>1. Are you claiming the full amount of your claim as preferential?</p> <p>2. If no, what part of the claim is preferential?</p> <p>3. Why do you believe you are a preferential creditor?</p> <p>(E.g. employee, GST etc)</p> <p>.....</p> <p>4. Details of your claim</p> <p>.....</p> <p>.....</p>	

If applicable, please record your GST registration number:

Total GST included in your claim \$.....