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New Zealand China Direct Limited(In Liquidation) Liquidator's First Report to Creditors and Shareholders

21 January 2020

1. Background

New Zealand China Direct Limited (In Liquidation) ("the Company") was placed into liquidation by order of the High Court at Hamilton on the 9th day of December 2019 at 11:05am. Thomas Lee Rodewald, Chartered Accountant/Insolvency Specialist 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:	16 May 2007	
Type of business:	Investment Company	
Shareholders:	Red Stagg Investments Limited	No of Shares: 75,000
	KBB Limited	No of Shares: 24,999
	David Caselli	No of Shares: 1
Director:	Martin Philip VERRY	

5. Events Leading to Appointment of Liquidators

In the months leading up to Liquidation there was a dispute between the shareholders as to the value of the shares. As no agreement could be reached an application was filed with the High Court to have the company placed into liquidation.

6. Statement of Affairs

We attach as **Appendix 2** the last known balance sheet of the company as at June 2015.

A preferential creditor claim has been received in relation to the High Court application costs of \$3,882.82. This is the only known creditor as at the date of appointment **Appendix 3**

7. Proposals for Conducting the Liquidation

The Liquidator will review the Company's books and records to establish if there are any potentially voidable transactions, any potential shareholder current issues and ensure the Director have complied with their duties and obligations imposed on them 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

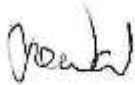
If your terms of trade with the company include reservation of title of goods supplied please contact Tom Rodewald by email on tomr@rodewaldconsulting.co.nz

Please complete and return the enclosed Unsecured Creditors Claim form by 9 March 2020 to carolc@rodewaldconsulting.co.nz. If you believe that you are a secured creditor please contact Tom Rodewald on 021 2277408 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 Tom Rodewald on 021 2277408.



Thomas Lee Rodewald
Liquidator

Declaration of Independence, Relevant Relationships and Indemnities

Name of Insolvent: **New Zealand China Direct Limited**

I Thomas Lee Rodewald, Chartered Accountant and accredited Insolvency Practitioner declare that:

Independence:

- I have undertaken a proper assessment of risks to independence in accordance with the law, code and applicable professional standards;
- I have determined that the assessment identified no real or potential risks to independence.

Relationship

I have not had any communication or prior meeting with the insolvent or its director or any associated party prior to accepting appointment other than to provide necessary documentation.

I was referred this appointment by:

Name: Daniel Wein

Firm: Ellice Tanner Hart

.....Connection to Insolvent: Nil

I have provided no other information to the insolvent, officers of the insolvent or the advisors.

I have had no relationship with the insolvent, associates of the insolvent or security holder in the preceding 2 years.

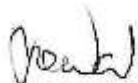
I have not provided any professional services to the company with the preceding 2 years.

I have no other relevant relationships, including personal, business and professional relationships, over the previous 24 months with the insolvent, an associate of the insolvent, a former insolvency practitioner appointed to the Insolvent or any person or entity that has a charge over the whole or substantially whole of the Insolvent's property that should be disclosed.

Independence and Upfront Payments

I have received no indemnity from the insolvent or associated party or any other party.

I have received no upfront payment.



Thomas Lee Rodewald

New Zealand China Direct Limited

Balance Sheet [Last Year Analysis]

June 2015

22/02/2016
4:08:15 p.m.

	This Year	Last Year	\$ Difference	% Difference
Assets				
Current Assets				
Cash On Hand				
ANZ Cheque Account	\$1,354.92	\$1,050.64	\$304.28	29.0%
Total Cash On Hand	\$1,354.92	\$1,050.64	\$304.28	29.0%
Subvention Payment Receivable	\$152,662.06	\$152,662.06	\$0.00	0.0%
Red Stag Investments Ltd	\$17,600.00	\$24,600.00	-\$7,000.00	(28.5%)
Total Assets	\$171,616.98	\$178,312.70	-\$6,695.72	(3.8%)
Liabilities				
Current Liabilities				
Accounts Payable	\$0.00	\$2,420.75	-\$2,420.75	(100.0%)
GST				
GST Collected	\$0.00	-\$243.81	\$243.81	100.0%
GST Paid	-\$132.74	-\$166.47	\$33.73	20.3%
GST Payments/Refunds	\$0.00	-\$139.87	\$139.87	100.0%
Total GST	-\$132.74	-\$550.15	\$417.41	75.9%
Taxation				
Resident Withholding Tax	-\$577.18	-\$577.18	\$0.00	0.0%
Total Liabilities	-\$709.92	\$1,293.42	-\$2,003.34	(154.9%)
Net Assets	\$172,326.90	\$177,019.28	-\$4,692.38	(2.7%)
Equity				
Retained Earnings	-\$72,980.72	-\$67,449.76	-\$5,530.97	(8.2%)
Current Year Earnings	-\$4,692.38	-\$5,530.97	\$838.59	15.2%
Share Capital PD - DC	\$2.50	\$2.50	\$0.00	0.0%
Share Capital PD - KBB Limited	\$62,497.50	\$62,497.50	\$0.00	0.0%
Share Capital PD - Eros	\$187,500.00	\$187,500.00	\$0.00	0.0%
Total Equity	\$172,326.90	\$177,019.28	-\$4,692.38	(2.7%)

**New Zealand China Direct Limited (In Liquidation)
Schedule of Creditors as at 9 December 2019**

KBB Investments Limited, 87 Te Hono Street, Tauranga

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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New Zealand China Direct 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

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: _____

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.

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 Limited
 carolc@rodewaldconsulting.co.nz

