

Relationships Aotearoa Incorporated (In Liquidation) Liquidators' Second Six Monthly Report

Charitable Trust Number: 210500

Introduction

Relationships Aotearoa Incorporated (In Liquidation) (“the Society”) was placed into liquidation by the High Court at the request of the Registrar of Incorporated Societies on 14 July 2015 pursuant to the Companies Act 1993 and the Incorporated Societies Act 1908. John Fisk and Jeremy Morley are the appointed joint and several liquidators of the Society, following their appointment as interim liquidators on 12 June 2015.

This report covers the period 14 January 2016 to 13 July 2016.

Restrictions

This report has been prepared by us in accordance with and for the purpose of section 255 of the Companies Act 1993 (the “Act”) pursuant to section 26 of the Incorporated Societies Act 1908. It is prepared for the sole purpose of reporting on the state of affairs with respect to the Society in liquidation and the conduct of the liquidation.

This report is subject to the restrictions set out at Appendix A. In particular, all information contained in this report is provided in accordance with section 255 of the Act. Furthermore, in preparing this report we have relied upon and not independently verified or audited information or explanations provided to us.

Conduct of the Liquidation in the Preceding 6 Months

We set out below a review of matters dealt with since our last report:-

Client Records

The liquidators advertised for requests from clients for the return of their counselling records. A limited number of clients requested that their records be returned, and those that did have been actioned as at the date of this report.

Subsequently, all counselling records have now been securely destroyed.

Assets and Realisations

The following assets have been disposed of during the liquidation (see Appendix B):

- The liquidators have realised \$35,283.98 from the sale of assets, predominantly comprising



office equipment and IT equipment. All assets are now sold.

- Following an investigation conducted by the liquidators, settlement of \$25,577.84 was reached in respect of a voidable transaction.
- The liquidators have collected \$128,928.45 in book debts. The majority of the Company's book debts have been collected, however, a small portion remain outstanding. These are significantly overdue (with some dated May 2013) and are uneconomic to pursue.

Proposals for disposal of liquidation property

There are no further assets available for the benefit of creditors.

Preferential Creditors

All employees were paid in full prior to our appointment.

The Inland Revenue has submitted a preferential claim totalling \$262k relating to unpaid PAYE and Student Loan deductions.

Expected Outcome

It is likely that there will be a shortfall to preferential creditors and as such no funds will be available to distribute to unsecured creditors.

Statement of Realisation and Distribution

Attached as Appendix B is a Statement of Realisations and Distributions for the period of the liquidation.

Liquidators' Fees

The liquidators' fees are \$196,674.00 for the period of the liquidation.

Below is an approximate breakdown of the work conducted by percentage of fees:

- collection, maintenance and return of client records - 40%;
- fixed asset sales - 15%;
- general investigation and other recovery actions - 15%; and
- collection of Society records, management of creditor claims and other administrative matters - 30%

Note that this list is not exhaustive.

Please note section 284 of the Act below which states;

284 Court Supervision of liquidation

- (1) On the application of the liquidator, a liquidation committee, or, with the leave of the Court, a creditor, shareholder, other entitled person, or director of a company in liquidation, the Court may—



- (e) In respect of any period, review or fix the remuneration of the liquidator at a level which is reasonable in the circumstances:

Proposals for Completing the Liquidation

At this point it is not practical to estimate when this administration will be completed.

A further report will be issued in 6 months unless this administration is completed prior to that time in which case a final report will be issued.

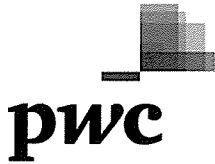
Contact Details

If you have any queries or any information regarding this liquidation, please contact Chris Whiteside on (04) 462 7133.

Dated: 12 August 2016

A handwritten signature in black ink, appearing to read 'John Fisk', is written over a horizontal line. The signature is stylized with a large loop at the beginning.

John Fisk
Liquidator



Appendix A

Restrictions

All information contained in this report is provided in accordance with section 255 of the Companies Act 1993.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.

We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit in respect of the Society. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

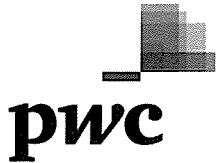
The statements and opinions expressed in this report are based on information available as at the date of the report.

We reserve the right, but will be under no obligation, to review or amend our report, if any additional information, which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.

We have relied on forecasts and assumptions prepared by the Society about future events which, by their nature, are not able to be independently verified. Inevitably, some assumptions may not materialise and unanticipated events and circumstances are likely to occur. Therefore, actual results in the future will vary from the forecasts upon which we have relied. These variations may be material.

In addition the following should be noted:

- Certain numbers included in tables throughout this report have been rounded and therefore do not add exactly.
- Unless otherwise stated all amounts are stated in New Zealand dollars.



Appendix B

Statement of Realisation and Distribution For the period 12 June 2015 – 13 July 2016

Receipts	\$
Funds on hand	397,406.46
Interest	7,807.61
Pre-liquidation debtors	128,928.45
Sale of assets	35,283.98
Settlement of voidable transaction	25,577.84
Total Receipts	<hr/> 595,004.34
Payments	
Archiving costs	39,582.32
Commission	10,600.40
Legal fees	24,101.33
Liquidators' fees	196,674.00
Liquidators' general expenses	20,216.34
Online record costs	2,224.34
Payroll costs	2,568.16
Rental of premises	10,905.00
IT and server costs	33,038.66
RWT	764.21
Bank fees	172.01
GST	7,891.42
Total Payments	<hr/> 348,738.19
Cash at Bank	<hr/> 246,266.15 <hr/>

Note: Statement of realisations and distributions includes both period of interim liquidation and liquidation.