

## ***Liquidators' Six Monthly Report***

### ***BLACK INK HOLDINGS LIMITED (IN LIQUIDATION)***

#### ***Introduction***

On 19 July 2016 at 11.14am, Iain Bruce Shephard and Heath Leslie Gair were appointed liquidators jointly and severally of Black Ink Holdings Limited by special resolution signed by the shareholders. Hair Gair retired as a liquidator on 12 August 2016.

This is our six monthly report required by Section 255(2)(d) of the Companies Act 1993 and is to be read in conjunction with our previous report.

#### ***Background***

Black Ink Holdings Limited (in liquidation) ("Black Ink") is a related company to M & G Young Holdings Limited (also in liquidation) ("M & G Young") which operated 11 Z Energy service stations in the Wellington Region.

Black Ink employed the staff that operate the service stations and provides the administrative support services to M & G Young.

Trading results of the service stations had resulted in cashflow difficulties. Z Energy, in conjunction with the directors had commenced steps to cancel the Business Operating Agreement and replace the operators. The shareholders sought advice and resolved to place the company into liquidation.

#### ***Liquidators' Actions***

##### **The Petrol Stations**

On day one of the liquidation, an agreement was reached between Z Energy and the liquidators that Z Energy would take over the operation of the 11 service stations.

As mentioned above, Z Energy had already begun to take steps to put new operators in place. The Liquidators assisted Z Energy with the transfer of the management of the stations to the new operators by continuing to manage the payroll and transfer daily takings.

##### **The Employees**

The Liquidators terminated all employee contracts effectively as at the date of liquidation. In order for the Z Stations to continue to trade Z Energy re-employed all staff on short term

contracts. To assist Z Energy, the liquidator continued to process the weekly payroll and account for PAYE. Z Energy advanced funds to the liquidators for this purpose.

All employee entitlements have been settled in full.

## General Matters

The liquidators have liaised with many parties including Inland Revenue, the Companies Office, the New Zealand Gazette and the Accident Compensation Corporation, and completed a review of all information received.

The liquidators advertised their appointment in the relevant publications and made a call for creditor claims. The liquidators also directly contacted all known creditors and answered any queries they may have had. The liquidators subsequently reviewed all completed creditor claim forms received.

## Investigations

The liquidators have reviewed the actions of the directors with consideration as to whether there were any potential breaches of appropriate sections of the Companies Act 1993. The liquidators' investigations have thus far included interviewing the directors, examining the Company's financial statements and considering the Company's bank transactions.

The shareholders had an overdrawn current account of approximately \$989,000. Given the level of debt owed by the shareholders and their apparent inability to repay, the liquidators determined that proceeding with further investigations in Companies Act 1993 breaches would be economically futile.

The directors were subsequently made bankrupt on 15 February 2017.

## ***Realisation of Assets***

### ***Tangible Assets***

The Company held no fixed assets.

### ***Shareholders' Current Accounts***

As mentioned above, the shareholders owed the company approximately \$898,000 in respect of their overdrawn current account.

The primary assets available to the shareholders consisted of their residential homes, both of which had mortgages, significant weathertight issues and neither property had Code Compliance (despite being built in the late 1990's).

Repair work and retrospective Code Compliance had a significant detrimental effect on the value of both properties. Reports were provided by independent parties substantiating the issues.

In order to settle matters and achieve the best outcome possible the liquidator agreed a settlement with shareholders which resulted in the payment of \$300,000 to Black Ink. This settlement figure arose after considering the mortgage encumbrances on both properties and the potential sale prices.

## *Creditors' Claims*

### *Secured Creditors*

The BNZ held a guarantee, in the form of a General Security Agreement for All Present and After Acquired Personal Property, from Black Ink to secure the lending to M & G. The debt to BNZ was approximately \$104,000. Black Ink have made a distribution to BNZ of \$39,934.35.

### *Preferential Creditors*

The liquidators have settled all preferential claims to employees totaling approximately \$153,000.

Inland Revenue have recently filed a preferential claim for \$67, 377.33. The Liquidator is considering this claim.

### *Unsecured Creditors*

The liquidators have received six unsecured claims, totaling \$25,630.75.

### *Prospect of a Distribution*

The liquidators do not expect that there will be a distribution to unsecured creditors.

## *Receipts and Payments*

A schedule of the liquidators' receipts and payments is enclosed.

## *Estimated Date of Completion*

It is not practical to estimate the date of completion at this time.

## *Contact Details*

Contact Person	Jessica Kellow
Telephone	04 473 6747
Email	jessica@sd.co.nz
Postal Address	PO Box 11793 Wellington



**IAIN SHEPHARD**  
**Liquidator**

**Dated 10 August 2017**

## BLACK INK HOLDINGS LIMITED (IN LIQUIDATION)

### Schedule of Liquidators' Receipts & Payments

As at: 10 August 2017

---

#### Receipts

Advance Z energy	190,000.00
Interest	233.21
Inland Revenue - GST Refund	6,577.26
Inland Revenue - Kiwi Saver Refund	140.27
Settlement Shareholder Current Account	300,000.00
Z energy - Funds for Z wages & Holiday Pay	142,084.06
Z Energy - PAYE provision	71,621.81

---

**710,656.61**

#### Less Payments

Interest	2,894.78
IRD - PAYE	91,385.58
Liquidators Costs and Disbursements	6,592.40
Liquidator Wages	79,557.45
Preferential Holiday Pay	153,246.90
Repayment of Advance from Z energy	190,000.00
RWT	73.16
Secured Creditor Distribution	39,934.35
Z Energy Wages	78,837.16

---

**642,521.78**

#### **Liquidators' Bank Account**

---

**68,134.83**