

Liquidators' First Report

GO MAN CONSTRUCTION LIMITED (IN LIQUIDATION)

Introduction

On 24 April 2017 at 2.15pm, Iain Shephard and Jessica Kellow were appointed liquidators jointly and severally of Go Man Construction Limited by special resolution signed by the shareholders.

We have made the appropriate enquiries and are of the opinion that we are not barred from acting as liquidators under Section 280 of the Companies Act 1993.

Restrictions

The liquidators take no responsibility for any misinformation contained in this report that has been supplied by the Company, its officers or other persons. The report is based upon information available at this date, the liquidators reserve the right to renew, and if necessary, amend the report.

Company Information

Company Number:	4478638
Date of incorporation:	17 June 2013
Date ceased trading:	21 April 2017
Current Registered address:	Level 2, Zephyr House, 82 Willis St, Wellington 6011
Previous Registered address:	TFS Chartered Accountants, 214 Main Rd, Tawa, Wellington 5028
Type of business:	Residential Construction
Director:	Ramandeep Singh
Shareholders:	Go Man Trustees Ltd Ramandeep Singh

Background

Go Man Construction Limited (now In Liquidation) (“the Company”) has been operating as a building and construction business in the Wellington region since its incorporation in mid-2014. The Company primarily focused on the construction of new residential homes.

The Company’s financial records indicate that the Company had recently been operating at a gross loss. When questioned, the director indicated that the Company’s financial woes stem from a delay in the commencement of a contract which negatively impacted cash flow. It appears, however, that the Company had been undercharging for its work, exacerbating its already precarious financial situation. A lack of funds resulted in the Company having an inability to pay many of its creditors. The shareholder has worsened the position by removing approximately \$380,000 from the Company.

As time progressed the Company’s financial situation worsened, culminating with a statutory demand from the Company’s principal creditor. Despite plenty of forward contracts the Company did not have the available cash to settle the demand. Faced with no other viable alternative, the shareholder sought professional advice and subsequently resolved to place the Company into liquidation.

Proposals for conducting the liquidation

The Company has various assets, some of which are subject to security agreements. The liquidators have requested security documentation from the secured creditors. The liquidators will review all documentation before agreeing to the release of any assets. The liquidators intend to sell any unencumbered assets for the general benefit of the Company’s creditors. Included among these assets are two vehicles that the liquidators are preparing to sell at auction.

The liquidators have undertaken a review of the 13 construction contracts currently afoot and have or will disclaim all bar one contract. It is evident that the Company had been over-claiming from clients to keep creditors at bay.

The liquidators will conduct an investigation of the Company’s books and records to further establish if there are any potentially voidable transactions that require investigation, and further to ensure that the directors have complied with the duties and obligations imposed on them under the Companies Act 1993. The liquidators note that in the months preceding liquidation, the Company sold several parcels of land previously owned by the Company. The liquidators will investigate to ensure that these transactions were at fair value.

In the event that there are funds available for a distribution, the liquidators will admit creditor claims and make a distribution.

The liquidators will then complete a final report and request that the Registrar of Companies remove the Company from the register.

Statement of Position

The liquidators have prepared an Estimated Statement of Position of the Company as at the date of liquidation.

Meeting of Creditors

After having regard to the assets and liabilities of the Company, the likely result of the liquidation and other relevant matters, the liquidators, in accordance with Section 245 of the Companies Act 1993, have decided to dispense with a meeting of creditors.

A creditor may request, by way of a notice in writing, a meeting of creditors within 10 working days after receiving this notice.

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 ground 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.

Creditor's Claim Form

Please find enclosed a creditor's claim form. Creditors should complete and return this form to the above address on or before 15 June 2017.

Creditors who do not make a claim within this period may be excluded from any distribution that may be made.

Should you be of the opinion that you hold a security interest this should be noted where appropriate on the form and advised to us immediately, along with the appropriate supporting documentation.

Estimated Date of Completion

It is not practicable to estimate the date of completion of the liquidation at this stage.

Should you have any information that you believe would lead to realisations for the benefit of creditors, please set it out in writing, attaching copies of all documentary evidence, and send it to the liquidators. Please note that the liquidators can only act on written information as telephone, or other, conversations will be regarded as hearsay by any court.

Contact Details

Contact Person	Bradley Burness
Telephone	04 473 6747
Email	bradley@sd.co.nz
Postal Address	PO Box 11793 Wellington



JESSICA KELLOW
Liquidator

Dated 3 May 2017

GO MAN CONSTRUCTION LIMITED (IN LIQUIDATION)

Estimated Statement of Financial Position as at 24 April 2017

	Book value (Draft March 2017) \$	Estimated to realise \$	Notes
Assets			
Fixed assets	65,539	45,000	1
Contracts for purchase of land	26,000	20,000	2
Shareholder current account	380,903	Nil	3
Accounts receivable		10,000	4
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Estimated funds available (Subject to the costs of liquidation)		75,000	
Secured Creditors (to be confirmed)			
BNZ Bank - General Security Agreement		36,529	
Preferential Creditors (to be confirmed)			
Employees (Holiday pay)		Unknown	5
Inland Revenue (PAYE and GST)		81,000	6
Unsecured Creditors (to be confirmed)			
Trade creditors		626,000	
Unsecured loan		162,422	
Inland Revenue		Unknown	6
Construction contract claims			
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Estimated Shortfall (Subject to the costs of liquidation)		<u><u>(675,911)</u></u>	

The information contained in the Estimated Statement of Position has been supplied by the Company. We have not verified the information supplied. The Estimated Statement of Financial Position has been prepared for the purpose of liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

Notes:

1. Fixed assets comprise primarily of two vehicles.
2. The Company had entered into two unconditional sale and purchase agreements for two sections in Wainuiomata. It is the liquidators' intention to sell these contracts.
3. The shareholder has advised that he is not in a position to repay this account and will be applying for bankruptcy.
4. The expected recovery from one construction contract. The remainder have been over-claimed.
5. The liquidators are awaiting information from the Company's accountants as to this amount.
6. At this stage the liquidators are uncertain as to the level of the Company's core tax liability.

GO MAN CONSTRUCTION LIMITED (IN LIQUIDATION)

Schedule of Creditors

Name	Address 1	Address 2	Address 3
Accident Compensation Corporation	Debt Management Unit	P O Box 3248	Wellington
Inland Revenue Department	P O Box 39010		Wellington
AdamsonShaw	PO Box 50 599	Porirua 5240	
Advanced Machinery Limited	P O Box 50 107	Porirua	Wellington 5024
Affiliated Insurance Brokers Limited	PO Box 22-221	Khandallah	Wellington
Allcutt Concrete Cutters Limited	PO Box 40502	Upper Hutt 5140	Lower Hutt 5045
Andrew Cuttance Plumbing Limited	PO Box 56091	Tawa	
BNZ Bank	Private Bag 39806	Wellington Mail Centre	Lower Hutt
Brian Seach Electrical Limited	seach@slingshot.co.nz		
Bunnings Limited	PO Box 14436	Panmure	Auckland 1741
Capital City Flooring Limited	PO Box 14-047	Kilbirnie	Wellington 6241
Degree Limited	PO Box 30650	Lower Hutt	Wellington 5040
Grieg Hayward Architecture	102 Ratanui Road	Paraparaumu	Kapiti Coast
Hutt City Concrete Services Limited	89 Clouston Park Road	Upper Hutt 5018	
Install Solutions	gee-man@windowslive.com		
Living Timber European Joinery Furniture Ltd	64 Fisk Street	Naenae	Lower Hutt
Mini Mixers NZ Limited	PO Box 44227	Lower Hutt	Wellington 5040
Nees Hardware & Building Supplies Limited	PO Box 44003	Lower Hutt 5040	
Paraparaumu Stairs and Joinery	stairs@xtra.co.nz		
Protech Roofing Limited	326 Arapaepae South Road	RD 1	Levin 5571
The Good Shed	PO Box 46002	Park Avenue	Lower Hutt 5044
Tilemax Limited	27 Te Puni Street	Petone	Wellington
TR Plastering Limited	18 Bayview Road	Paremata	Porirua 5024
Vanessa Good	Contact details withheld		
Wellington Continuous Spouting Limited	65 Marsden Street	Lower Hutt	
Wellington Scaffolding Limited	PO Box 54022	Mana	Porirua

Employees

Adam Mourad	Contact details withheld
Babita Rekhi	Contact details withheld
Connor Wilson	Contact details withheld
Denis O'Sullivan	Contact details withheld
Hamish Rowan	Contact details withheld
Isaac Ladbrook	Contact details withheld
Marcus Cox	Contact details withheld
Neville Hooper	Contact details withheld
Delaney Tauroa	Contact details withheld

Clients

Martin and Nikki Duncan	Contact details withheld
Vanessa Good	Contact details withheld
Jane Jenkins	Contact details withheld
Greg Scott	Contact details withheld
Amanda Smith	Contact details withheld
Deanne Smith	Contact details withheld
Selina Steele	Contact details withheld
Justine Thorpe	Contact details withheld
Strength and Honour Limited	Contact details withheld
Tirowhanga Limited	Contact details withheld
Ashely Waller	Contact details withheld

<p>Name and postal address of creditor in full</p> <p>Telephone Number: ()</p> <p>My Reference is: _____ (if applicable)</p> <p>My bank account name is: _____</p> <p>My bank account number is: _____</p>	<p>* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.</p> <p>The information will be used and retained by Shephard Dunphy Ltd and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.</p> <p>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—</p> <p>(a) Contain full particulars of the claim; and (b) Identify any documents that evidence or substantiate the claim.</p> <p>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.)</p>
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<p>Name of company in liquidation</p> <p>_____ (In liquidation)</p> <p>I _____</p> <p>(If claim is made on behalf of creditor, specify relationship to creditor and authority)</p> <p>claim that the company was at the date it was put into liquidation indebted to the above named creditor for the sum of</p> <p>(Amount in words and figures): _____</p>

<p>Status of claim:</p> <p>1. I am an unsecured creditor Tick <input type="checkbox"/></p> <p>2. I am surrendering the security I hold and I am claiming as an unsecured creditor <input type="checkbox"/></p> <p>3. I am making a preferential claim (Refer details on reverse) <input type="checkbox"/></p> <p>4. I have a security interest (Refer details on reverse) <input type="checkbox"/></p> <p>Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form. Please attach any supporting documents</p>

<p>Signed: _____ Date: / /</p>
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<p>Warning</p>	<p>It is an offence under Section 304(6) of the Companies Act 1993 to —</p> <ul style="list-style-type: none"> • 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.
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<p>Reserved for office use:</p>
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<p>Received (Date Stamp)</p>	<p>Claim admitted/rejected for voting purposes: _____ Signed: _____ Date: / /</p> <p>(Please tick one)</p> <p><input type="checkbox"/> Claim rejected for payment: _____ Signed: _____ Date: / /</p> <p>or</p> <p><input type="checkbox"/> Claim admitted for payment:</p> <p>Preferential Claim for: Ordinary Claim for: Deferred Claim for:</p> <p>\$ _____ \$ _____ \$ _____</p> <p>_____ Date: / /</p> <p>Note: If the decision to admit or reject a claim is amended, the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.</p>
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Particulars of claim

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 \$

Security interest claimants only

Please provide details of the basis of your security interest and furnish a copy of the security documentation.

Preferential claimants only

1. Are you claiming the full amount of your claim as preferential? **Yes / No**
2. If no, what part of the claim is preferential? \$ _____
3. Why do you believe you are a preferential creditor? (e.g. employee, GST etc)

4. Details of your claim: _____

If applicable please record here your GST Registration number: _____
and total GST included in your claim: \$ _____