

COMPANY NO. 599663

LIQUIDATORS' SECOND REPORT
Section 255 of the Companies Act 1993

COMMAND SERVICES LIMITED (IN LIQUIDATION)

APPOINTMENT

On 22 April 2013 Iain Bruce Shephard and Christine Margaret Dunphy were appointed liquidators jointly and severally of Command Services Limited by special resolution of shareholders.

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

Command Services Limited (In Liquidation) ("the Company") operated a business offering heating, ventilation, air conditioning and other mechanical services based in Lower Hutt.

The business had traded successfully for a number of years. The Liquidators understand that the Company was solvent up until the receivership of Mainzeal, the Company's most significant debtor, in February 2013.

The Company attempted to enter a compromise with its creditors however this did not pass.

Due to the failure of the compromise the directors were left with no option but to cease trading the Company and place it into liquidation.

LIQUIDATORS' ACTIONS

Meeting of creditors

The Liquidators called, and held, a meeting of creditors which took place at the offices of DLA Phillips Fox on the 9th of May 2013.

The majority of creditors, in both number and value, voted against the resolutions to replace the liquidators and to appoint a liquidation committee.

The Liquidator invited concerned creditors to be part of an informal liquidation committee, with the task of working with the liquidator, and a number accepted this invitation. The committee has had regular meetings throughout the liquidation to date, with a final meeting having taken place in October. As all assets have been sold, and the investigations drawn to a conclusion, there will be no need for further meetings of the liquidation committee.

Review of trading history

The Liquidators conducted a review of the Company records, paying particular attention to the performance of the directors of the Company.

The Liquidators verified that the Company was first insolvent at the collapse of Mainzeal, and following that focused our investigations on transactions that took place after 6 February 2013.

The Liquidators' investigations did not reveal any worsening of the Company's position between 6 February 2013 and liquidation.

Nothing arose from these investigations that may be of benefit to creditors of the Company.

Inland Revenue GST refund

We have received GST refunds totaling \$ 119,455.97, these refunds relate to periods prior to as well as after the commencement of liquidation.

Employees

The Liquidators terminated all employment with the Company. We are advised that all staff were offered comparable positions with the purchasing entity.

REALISATION OF ASSETS

We have sold assets of the Company including all contracts held by the company by private treaty, realising a total of \$397,150.58 including GST.

Accounts Receivable

To date we have collected debtors of \$ 80,973.06. The Company records show the Company is owed \$2,800,000 from Mainzeal Property and Construction Limited (In Receivership and In Liquidation). A creditor claim has been submitted in the liquidation of Mainzeal, and the Liquidators are awaiting advice as to whether a distribution is likely.

Liquidators' costs

The fees of the Liquidators to date are \$ 173,494.31. The fees have been impacted by a significant amount of time being spent addressing concerns raised by a group of creditors. The Group has stymied the progress of the liquidation process by raising a considerable number of concerns and complaints which we have found to be unsupported by the facts based on a flawed understanding of Insolvency Law.

We believe that the distribution to creditors would have been greater if so much time had not taken up in dealing with the correspondence of the Group. This has necessitated both increased resources as well as the involvement of our lawyers.

Phoenix Companies

Peter Sewell and Anushell Chandra, two directors of the Company, applied to the High Court for confirmation that they had validly issued successor company notices for their roles as directors of Command Management Limited, Command Care Limited, and Command HVAC Limited.

The Liquidators were named as defendants, however did not oppose the application. The Liquidators opted to abide by any decision of the Court.

On the 25th of October 2013, the Court granted the request, giving permission for Peter Sewell and Anushell Chandra to be directors of the phoenix companies.

CREDITORS' CLAIMS

Secured Creditors

No creditor had any security interest over the Company.

Some creditors had purchase money security interests over specific assets or stock. The Liquidators released these assets to the respective charge holders.

Preferential Creditors

We have received 29 preferential claims from staff totaling \$ 116,318.30. These claims have been paid in full.

We have received a preferential claim for outstanding Inland Revenue liabilities in the amount of \$137,235.88. This has been paid in full.

Unsecured Creditors

We have received claims from 67 unsecured creditors totalling \$1,857,101.90. The Liquidators have reviewed the claims and have admitted creditor claims totalling \$1,685,717.88 with the remainder being withdrawn or rejected. The Liquidators have, on the 22nd of November 2013, paid a distribution of ten cents in the dollar on all admitted claims.

DISTRIBUTION

As stated above, the Liquidators advise that we have achieved sufficient realisations to enable a distribution of ten cents in the dollar in respect of admitted unsecured claims.

The prospect of a further distribution to the unsecured creditors is dependent on any distribution being received from the Mainzeal liquidation.

RECEIPTS AND PAYMENTS

A schedule of the liquidators' receipts and payments is attached to this report.

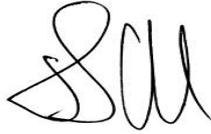
ESTIMATED DATE OF COMPLETION

The Liquidators are unable to estimate a date of completion as it is dependent on the success of the Mainzeal liquidation.

FUTURE REPORTS

Whilst the Liquidators delay retirement pending the resolution of the Mainzeal liquidation, the Liquidators do not propose to send future six monthly reports to creditors unless there are any significant developments. The Liquidators intend to submit reports on the Companies Offices website, and on Shephard Dunphy's website, if any creditor wishes to receive hard copies of future reports please advise accordingly.

Should you have any queries please do not hesitate to contact us.

A handwritten signature in black ink, appearing to read 'Iain Shephard', written in a cursive style.

Iain Shephard
Liquidator

Dated 22 November 2013

COMMAND SERVICES LIMITED (IN LIQUIDATION)

Schedule of Liquidators' Receipts & Payments

As at:

22 November 2013

Receipts

Accounts Receivable	46,525.27
Inland Revenue - GST Refund	119,455.97
Interest	3,590.62
Proceeds of Pre Liquidation Account	68,538.08
Sale of Assets	178,825.00
Sale of Service Contracts	218,325.68
Utility Refund	742.57
	<hr/>
	671,353.73

Less Payments

Distributions

Employees Preferential Claims	116,318.30
Inland Revenue Preferential Claim	137,235.80
Unsecured Creditors	168,571.70
Total Distributions	422,125.80

Advertising	646.56
Bank Fees	85.12
Liquidator Costs & Expenses	173,494.31
Legal Fees	26,033.65
Residents Withholding Tax	1,208.58
Debtor Payments Received in error	35,350.54

658,944.56

Liquidators' Bank Account

12,409.17