

**COMPANY NO. 599663**

**LIQUIDATORS' SIX MONTHLY REPORT**  
**Section 255 of the Companies Act 1993**

**COMMAND SERVICES LIMITED (IN LIQUIDATION)**

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**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 reports.

**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 9<sup>th</sup> 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 2013. 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 \$ 124,536.39. These GST refunds are from pre and post liquidation periods.

## **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 25<sup>th</sup> 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 22<sup>nd</sup> 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 4 June 2014

<b>COMMAND SERVICES LIMITED (IN LIQUIDATION)</b>		
<i>Schedule of Liquidators' Receipts &amp; Payments</i>		
	<b>As at:</b>	<b>4 June 2014</b>
<b>Receipts</b>		
Accounts Receivable		46,525.27
Inland Revenue - GST Refund		124,536.39
Interest		3,974.68
Proceeds of Pre Liq Account		68,538.08
Sale of Assets		178,825.00
Sale of Service Contracts		218,325.68
Utility Refund		742.57
		<b>676,818.21</b>
<b>Less Payments</b>		
<b>Distributions</b>		
Employees Preferential Claims	116,318.34	
Inland Revenue Preferential Claim	137,235.88	
Unsecured Creditors	169,842.68	
<b>Total Distributions</b>		423,396.90
Advertising		646.56
Bank Fees		166.01
Liquidator Costs & Expenses		185,494.31
Legal Fees		26,033.65
Residents Withholding Tax		1,335.31
Debtor Payments Received in error		35,350.54
		<b>672,423.28</b>
<b>Liquidators' Bank Account</b>		<b>4,394.93</b>