

**STARGATE OPERATIONS LIMITED
(IN LIQUIDATION)**

LIQUIDATORS' THIRD REPORT
Pursuant to Section 255(2)(d)
of the Companies Act 1993

**For the Period from
15 November 2015 to 15 May 2016**

1. **PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION**

The Liquidators report herewith on the progress made in the liquidation of **Stargate Operations Limited**. Included in this report is the Liquidators' statement of realisation and distribution to date.

This third report to creditors follows the second report and should be read in conjunction with the previous reports. This report is being sent to all shareholders and to all shareholders and creditors who have filed a claim in the liquidation.

The Liquidators have successfully disposed of all company assets and are currently reviewing and receiving advice in relation to other avenues of possible realisations for the benefit of the Creditors of the company.

2. **REALISATION OF COMPANY ASSETS**

2.1 **Debtor Payments**

The Liquidators have written to all debtors and to date have received \$1,041.00.

2.2 **Fixed Assets**

The fixed assets of the company have been sold by the Liquidators to realise a total value of \$229,573.00.

These assets comprised laboratory equipment, assets of the music studio and the costume and prop hire branch of the business.

2.3 **Loan Repayments**

Upon their appointment the Liquidators identified a number of loans owing to the company. The Liquidators have received \$73,919.72 in repayment of the amounts outstanding following statutory demands being issued by the Liquidators Solicitors.

2.4 **GST Refund**

To date, the Liquidators have received \$3,060.91 in GST Returns.

2.5 **Other Refunds**

A refund for a building consent has been received from the Auckland Council for \$2,121.04.

3. **INVESTIGATIONS**

The Liquidators are continuing to investigate the books, records and affairs of the company.

Matters that are giving rise to further investigations include:

- Collection of the overdrawn Shareholders current account.

The Liquidators have been advised that the Director is residing in Thailand, however they have been unable to contact the Director for a period of time.

4. **CREDITORS' CLAIMS**

4.1. **Preferential Creditors**

The Liquidators consented to the continuation of actions brought against the company regarding an employment dispute. The Employment Relations Authority (ERA) found in favour of the Employee.

As a result of this finding, the Liquidators anticipate a revised proof of debt, claiming a significant preferential sum, will be lodged by the Inland Revenue Department (IRD) in the coming weeks.

The Inland Revenue Department has submitted a preferential claim of \$1,045,029.94.

Employees

There was a total of \$457,928.57 outstanding to 8 employees at the date of liquidation, in respect to holiday pay, redundancy pay, bonuses and unpaid wages.

The Liquidators sought legal advice on the admissibility of these claims as preferential in the liquidation. As a result of this advice, \$137,009.61 has been admitted in preferential claims for 8 employees.

As at the date of this report, all admitted preferential employee claims have been paid in full.

4.2. **Unsecured Creditors**

As at the date of preparing this report, 22 unsecured creditors' claims have been received which total \$2,195,001.63. In the interests of minimising Liquidators' fees, the Liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution.

5. **FUNDS/LIKELY OUTCOME**

The Liquidators have made full distributions to all admitted preferential employee claims. In addition, the Liquidators are continuing to pursue additional avenues of collection, the result of which will largely dictate future distributions to creditors.

6. **CONCLUSION**

Based on the above, it is too difficult to determine a timeframe for completion.

Any queries can be directed to Lachie Davidson (ldavidson@rodgersreidy.co.nz) of these offices.

Yours faithfully
for **Stargate Operations Limited (In Liquidation)**



Derek Ah Sam
Joint Liquidator
dahsam@rodgersreidy.co.nz

DATED: 27 June 2016

NAME OF COMPANY: STARGATE OPERATIONS LIMITED

SUBJECT: LIQUIDATORS' STATEMENT OF REALISATIONS AND DISTRIBUTIONS FOR PERIOD 15 May 2015 to 15 May 2016

Cash Received

CASH HAS BEEN RECEIVED AS FOLLOWS:

\$

Sale of Fixed Assets	229,573.00
Debtor Payment	1,041.00
Auckland Council Refund	2,121.04
IRD GST Refund	3,060.91
Loan Repayment	<u>73,919.72</u>

Total Realisations

309,715.67

CASH HAS BEEN PAID AS FOLLOWS:

\$

Liquidators' Fees	74,997.08
Disbursements	1,350.00
Fuel Reimbursement	36.96
Preferential Distributions (Employees)	98,864.30
PAYE	40,044.64
Legal Fees	24,229.17
Contractor Expenses	105.00
Bank Fees	29.00
Accounting Services	777.40
Accounting Software	74.75
Security Expenses	1,086.56
Valuation Costs	4,485.00
GST Paid	<u>22,694.65</u>

Total Distributions

268,774.51

Total Realisations

309,715.67

Total Distributions 268,774.51

Balance Held on Trust **40,941.16**

Note: The above figures are GST inclusive



Derek Ah Sam
Joint Liquidator

DATED: 27 June 2016