



McGrathNicol

**McGrathNicol Limited**

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## Accounts of Company in Administration

### Pursuant to Section 239ACZ(3) Companies Act 1993

#### Iugis (NZ) Limited

*(formerly Administrators Appointed, now In Liquidation)*

*(the Company)*

**Company number: 6765037**

**NZBN: 9429046666581**

#### 1. Introduction

On 8 July 2021 Domenic Calabretta, Grahame Ward and Thyge Trafford-Jones of Mackay Goodwin, Sydney (**Initial Administrators**) were appointed as Voluntary Administrators of the Company by director's resolution. At the first creditors' meeting held on 20 July 2021 the Initial Administrators were replaced as administrators pursuant to section 239R(1)(b) of the Companies Act 1993 (**Act**) and Andrew John Grenfell and Kare Johnstone, of Auckland (**Administrators**), were appointed as replacement administrators of the Company pursuant to section 239R(2)(a) of the Act.

The voluntary administration ended on 13 August 2021 when the Company's creditors resolved that the administration should end, and the Company should be placed into liquidation. Andrew Grenfell and Kare Johnstone were appointed liquidators of the Company.

These accounts cover the complete voluntary administration period being from 8 July 2021 to 13 August 2021 (**Administration Period**). These are the final accounts to be filed by the Administrators. These accounts should be read in conjunction with the watershed report dated 5 August 2021.

The Administrators are licensed insolvency practitioners pursuant to the Insolvency Practitioners Regulation Act 2019. Administrators of insolvent companies are required to be licensed insolvency practitioners. You may obtain more information regarding the regulation of insolvency practitioners from the Registrar of Companies.

The Administrators are members of the Restructuring Insolvency and Turnaround Association of New Zealand Inc (**RITANZ**) and accordingly act in compliance with the RITANZ Code of Professional Conduct, a copy of which can be located on RITANZ's website ([www.ritanz.org.nz](http://www.ritanz.org.nz)).

In association  
with



**ADVISORY  
RESTRUCTURING**



## 2. Restrictions

This report has been prepared in accordance with, and for the purposes of, Section 239ACZ of the Act. It is prepared for the sole purpose of reporting the Administrators' receipts and payments for the administration period.

In compiling this report, we have relied on the accuracy of all relevant information provided by the Company and the Initial Administrators. The Administrators do not accept responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction or use of this report.

## 3. Administrators' details

Date of appointment:	20 July 2021
Name:	Andrew Grenfell
Licence Registration Number:	IP24
Name:	Kare Johnstone
License Registration Number:	IP29
Address:	McGrathNicol 41 Shortland Street Auckland 1010
Email address:	<a href="mailto:Insolvency@mcnp.co.nz">Insolvency@mcnp.co.nz</a>
Website:	mcgrathnicol.com

## 4. Administrators' Interests Statement and Declaration of Independence, Relevant Relationships and Indemnities (Declaration)

The Administrators provided a Declaration in the watershed report dated 5 August 2021. There have been no changes since that report.

## 5. Details of accounts

Are the accounts final:	Yes
Date of vacation of office:	13 August 2021
Accounts and statements are for the period:	8 July 2021 to 13 August 2021



## 6. Payments to creditors

Our estimate of total creditors at the date of these accounts is as follows:

Summary of creditors - As at 13 August 2021		
Values in NZD (000's)	As at 13 August 21	
Creditor type	Number	Value
Priority	-	-
Secured - Financier	-	-
Secured PMSI/Lien	1	-
Unsecured - external	2	48,511
Unsecured - intercompany	2	34
Deferred	-	-
	<b>5</b>	<b>48,545</b>

*Source: Company's records, Creditors' proofs of debt*

## 7. Payments made to creditors from the date of Administrators' appointment to the date of these accounts

There have been no payments to creditors during the Administration Period.

## 8. Secured lenders

The Company has the following registered security interest.

### lugis PPSR - security interests as at 20 July 2021

Date of charge	Secured party	Collateral
19 December 2018	BHO Funding Pty Limited	All Present and After Acquired Personal Property

BHO Funding Pty Limited's (now Eqwe Pty Ltd) security interest covers the Company's receivables, the documentation evidencing the receivables, and the equipment that is the subject of those receivables. The Company's receivables are allegedly fraudulent.

On the basis the transactions are fraudulent, then the security interest is in non-existent assets and BHO Funding Pty Limited is an unsecured creditor.

## 9. Summary of professional fees

The Administrators' current charge out rates are attached as Appendix 1. The Administrators have not drawn a fee for the period of their appointment period being 20 July 2021 to 13 August 2021.

The Initial Administrators have drawn a fee of NZ\$37,131. A breakdown of the Initial Administrators' fees and disbursements is as follows.



#### Initial Administrators' fees and expenses

	NZ\$
Administrators' remuneration	16,181
Administrators' expenses	4,239
Agent's fees	11,169
Legal fees	5,541
<b>Total</b>	<b>37,131</b>

*Source: Initial Administrators*

### 10. Receipts and payments since appointment

A detailed schedule of the receipts and payments for the Administration Period is attached as Appendix 2. Note that the receipts and payments schedule is GST exclusive.

### 11. Reconciliation of money held

A High Court freezing order over the Company's bank accounts was in place at the time of the Initial Administrators' appointment. The Initial Administrators transferred the \$143,388 of funds held in the Company's bank account to their trust account on the 20 July 2021 prior to their replacement at the first creditors meeting.

The Initial Administrators subsequently retained NZ\$37,131 for their fees and expenses and, as at the date of this report, are in the process of transferring the balance of \$106,256 to the Administrators' trust account.

### 12. Estimated completion date

The Voluntary Administration Accounts are final. The Company was placed into liquidation by a vote of the creditors at the watershed meeting held on 13 August 2021.

### 13. Administrators' verification

We declare that the information given in the statement is true to the best of our knowledge and belief at the date of signing.

The account of receipts and payments in Appendix 2 contains a full and true account of receipts and payments in this period and we have not, nor has any other person by our order or for our use during that period, received or paid any money on account of the Company other than and except for the items mentioned and specified in that account.

**Andrew Grenfell**  
Former Administrator

**Kare Johnstone**  
Former Administrator

Date: 20 August 2021



## Appendix 1 – Hourly rates and disbursements

Explanation of hourly rates		
Title	Guide to qualifications and roles	Hourly rate (excl GST)
<b>Appointee/ Partner</b>	Licensed Insolvency Practitioners, Chartered Accountant or equivalent and generally degree qualified with more than twelve years of experience. Leads assignments with full accountability for strategy and execution.	\$645
<b>Director</b>	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than ten years of experience. Autonomously leads insolvency appointments reporting to Appointee/Partner.	\$555
<b>Senior Manager</b>	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than seven years of experience. Self-sufficiently conducts small to medium insolvency appointments and leads major work streams in larger matters.	\$485
<b>Manager</b>	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than five years of experience. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.	\$430
<b>Assistant Manager</b>	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages work stream activity within appointments.	\$380
<b>Senior Analyst</b>	Generally, degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than 16 months of experience. Completes tasks within work streams and appointments under supervision.	\$305
<b>Analyst</b>	Generally, degree qualified and undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision.	\$290
<b>Administrator</b>	Appropriately experienced and undertakes senior level administrative support activities or Treasury activities. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$280
<b>Secretaries</b>	Appropriately experienced and undertakes support activities, such as meeting co-ordination and preparation of materials where it is efficient and appropriate to do so.	\$175



<b>Explanation of disbursements</b>	
<b>Disbursements</b>	<b>Rate (excl GST)</b>
<b>Externally provided professional services</b>	At cost
<b>Externally provided non-professional services</b>	At cost
<b>Internal disbursements: office service charge</b>	3.0% of hourly rate
<b>Internal disbursements: staff vehicle use*</b>	\$0.62-\$1.00 per KM, depending on the size of the vehicle's engine
<b>Internal disbursements: conference calls</b>	At cost



## APPENDIX 2

### RECEIPTS AND PAYMENTS

#### Iugis (NZ) Limited receipts and payments for the Administration Period 8 July 2021 to 13 August 2021

<b>GST exclusive</b>	<b>NZD\$</b>
Cash at bank - 8 July 2021	143,379
<b>Payments</b>	
Initial Administrators' fees	16,181
Initial Administrators' expenses	4,239
Initial Administrators' agent's fees	11,169
Initial Administrators' legal fees	5,541
<b>Total payments</b>	<b>37,131</b>
<b>Cash - 13 August 2021</b>	<b>106,248</b>