



McGrathNicol

McGrathNicol Limited

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**Liquidators' third report
(pursuant to s255 of the Companies Act 1993)
Ziera Retail NZ Limited (In Liquidation) (Company)
Company number: 108298**

1. Appointment

Conor McElhinney and Andrew Grenfell (**Liquidators**) were appointed jointly and severally as liquidators of the Company on 7 February 2020 by a resolution of the Company's creditors at the Watershed Meeting.

As Accredited Insolvency Practitioners, the Liquidators are bound by the Restructuring Insolvency and Turnaround Association of New Zealand Inc's (**RITANZ**) Code of Professional Conduct, a copy of which can be located on RITANZ's website (www.ritanz.org.nz).

The Liquidators are Licensed Insolvency Practitioners pursuant to the Insolvency Practitioners Regulation Act 2019. Liquidators 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.

2. Disclaimer

The purpose of this report is to report to the creditors and shareholders in accordance with Section 255 of the Companies Act 1993 (Companies Act).

This report has been prepared based on the information known to the Liquidators as at the date of this report. We reserve the right (but will be under no obligation) to review this report and, if we consider it necessary, to revise the report in the light of any information existing at the date of this report that becomes known to us after that date. We have not independently verified the accuracy of information provided to us, nor have we conducted an audit in respect of the Company. We express no opinion on the reliability, accuracy, or completeness of information provided to us and upon which we have relied.

The Liquidators 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.

In association
with



**ADVISORY
RESTRUCTURING**



3. Company information

Date of incorporation:	2 May 1980
Trading address:	59 Mahunga Drive, Mangere Bridge, Auckland
Type of business:	Women's Footwear Retailer
Shareholders:	Kumfs Group Limited (In Liquidation)
Directors:	Robert Paul Edwards, Andrew John Robertson, John David Robertson

4. Report on conduct of the liquidation

Since the previous report, the Liquidators have attended to the following matters during the course of the liquidation:

- a) Maintaining treasury function and management of bank funds.
- b) Determining intercompany recharges for operating costs and securing reimbursement.
- c) Maintaining accounting records of the liquidation.
- d) Reviewing and filing IRD returns.
- e) Responding to retail customer complaints and providing refunds as required pursuant to the Consumer Guarantees Act.
- f) Quantifying landlord contingent claims and negotiating with landlords to finalise claims, including issuing claim rejection notices in accordance with the Companies Act, where required, and communicating with landlords and the ANZ to finalise rental bond drawdowns.
- g) Responding to creditor queries.
- h) Payment of any proceeds to creditors in the statutory order, including making a first dividend payment to unsecured creditors.

A schedule of the receipts and payments for the period 7 August 2020 to 6 February 2021 is set out at Appendix 1.

5. Proposals for completing the liquidation

The Liquidators expect to conclude the liquidation in June 2021, but the timetable is dependent on third parties and it outside of the Liquidators' control. Pending matters to resolve prior to the liquidation completing are:

- a) Calculation of final unsecured creditors dividend distribution.
- b) Receipt of final dividend distribution from related entities.
- c) Processing final creditor distribution (if any) and advising creditors.
- d) Filing of final IRD returns.
- e) Obtaining confirmation from IRD all trading taxation matters have been resolved.
- f) Completion and filing of final liquidators' report(s).
- g) Compliance with statutory advertising and reporting requirements.

6. Liquidators' Declaration of Independence, Relevant Relationships and Indemnities (**Declaration**)

The Liquidators provided a Declaration in the Watershed Report dated 29 January 2020 previously provided to creditors. There have been no changes since that report.



7. Liquidators' remuneration

The Liquidators' remuneration is charged on an hourly basis at their standard hourly rates. These rates, the qualifications and experience generally of staff at each level, and how we charge disbursements, was set out in our Watershed Report dated 29 January 2020. Updated rates effective 1 April 2020 were provided in our previous report.

The Liquidators' remuneration received for the period 7 August 2020 to 6 February 2021 was \$51,255 plus GST. A breakdown of the remuneration charged is set out in Appendix 3.

8. Estimated date of completion of liquidation

The Liquidators estimate that the liquidation will be completed by 30 June 2021. However, as previously noted, finalising the liquidation is dependent on third parties that are outside the Liquidators' control, specifically the Australian and New Zealand tax authorities.

9. Further information

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 the Court.

10. Prospect of a dividend

The Liquidators issued a first distribution to creditors of the Company during September 2020 of 20 cents in the dollar. A final distribution may also be paid at the end of the liquidation.

11. Contact details

The Liquidators can be contacted at McGrathNicol, Level 17, AIG Building, 41 Shortland Street, Auckland (PO Box 106-733, Auckland 1143). Telephone enquiries should be directed to Priscilla Cooper, direct dial (09) 926 5107.

Dated: 3 March 2021

A handwritten signature in black ink, appearing to read 'Conor McElhinney', with a long horizontal flourish extending to the right.

Conor McElhinney
Liquidator



Appendix 1 – Receipts and payments

Schedule of receipts and payments for the period 7 August 2020 to 6 February 2021

Ziera Retail NZ Limited (In Liquidation)	
Receipts and payments summary 7 August 2020 to 6 February 2021	\$
Funds on hand 7 August 2020	1,988,021
Receipts	
Debtor collections	1,408,884
Interest	96
Total receipts	1,408,980
Payments	
Bank bonds	46,001
Bank fees	1,590
Consultants fees	7,500
GST paid	10,394
Legal fees	8,892
Liquidators' disbursements	1,679
Liquidators' fees	51,225
Unsecured creditor distribution	3,159,249
Total payments	3,286,531
Balance held as at 6 February 2021	110,470

Note that the pre-appointment debtor receipts of \$1.4m and the distribution to unsecured creditors of \$3.2m includes receipts and payments of inter-company debts between the various Ziera/Kumfs entities as dividends were paid during the liquidation.



Appendix 2 – Hourly rates and disbursements

Liquidators' charge out rates effective 1 April 2020

Explanation of hourly rates		
Title	Guide to qualifications and roles	Hourly rate (excl GST)
Appointee/ Partner	Accredited 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
Director	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.	\$550
Senior Manager	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
Manager	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.	\$425
Assistant Manager	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages work stream activity within appointments.	\$375
Senior Analyst	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.	\$300
Analyst	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.	\$285
Administrator	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.	\$275
Secretaries	Appropriately experienced and undertakes support activities, such as meeting co-ordination and preparation of materials where it is efficient and appropriate to do so.	\$170



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



Appendix 3 – Liquidators’ remuneration

Liquidators’ time costs invoiced in the period from 7 August 2020 to 6 February 2021, relating to time incurred from 1 August 2020 to 30 November 2020¹.

Ziera Retail NZ Ltd time costs for the period 7 Aug 2020 to 6 Feb 2021							
Position	\$/hour (excl GST)	Administration		Creditors		Asset realisation	
		Hours	Fees (\$)	Hours	Fees (\$)	Hours	Fees (\$)
Partner	645	0.2	129.0	4.8	3,063.8	-	-
Director	550	3.9	2,145.0	12.4	6,820.0	-	-
Senior Manager	485	0.3	145.5	9.5	4,607.5	-	-
Manager	425	3.6	1,530.0	-	-	-	-
Assistant Manager	375	-	-	19.0	7,125.0	2.9	1,087.5
Senior Analyst	300	12.3	3,675.0	46.0	13,785.0	0.2	45.0
Administrator	275	-	-	-	-	-	-
Secretary	170	0.5	85.0	-	-	-	-
Total (excl GST)		20.8	7,710	91.6	35,401	3.1	1,133

Ziera Retail NZ Ltd time costs for the period 7 Aug 2020 to 6 Feb 2021							
Position	\$/hour (excl GST)	Trading		Reporting		Total	
		Hours	Fees (\$)	Hours	Fees (\$)	Hours	Fees (\$)
Partner	645	-	-	0.7	451.5	5.7	3,644
Director	550	0.2	82.5	3.4	1,842.5	19.8	10,890
Senior Manager	485	0.5	242.5	-	-	10.3	4,996
Manager	425	-	-	0.7	276.3	4.3	1,806
Assistant Manager	375	-	-	-	-	21.9	8,213
Senior Analyst	300	2.3	690.0	11.0	3,314.2	71.7	21,509
Administrator	275	-	-	0.3	82.5	0.3	83
Secretary	170	-	-	-	-	0.5	85
Total (excl GST)		3.0	1,015	16.0	5,967	134.4	51,225

Disbursements at cost for the period 7 August 2020 to 6 February 2021	
\$	Total
General expenses	143
Office services charge	1,537
Total (excl GST)	1,679

The Liquidators' declare that all disbursements were necessary and proper

¹ The Liquidators have accrued time from 1 December 2020 to 6 February 2021 as the balances were insufficient to bill during the relevant periods.