



McGrathNicol

McGrathNicol Limited

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**Liquidators' fourth report
(pursuant to s255 of the Companies Act 1993)
Ziera Shoes NZ Limited (In Liquidation) (Company)
Company number: 60885**

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.

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.

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

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: | 26 January 1961 |
| Trading address: | 59 Mahunga Drive, Mangere Bridge, Auckland |
| Type of business: | Women's Footwear Wholesaler |
| 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) Preparation, filing and distribution of Liquidators' reports to creditors.
- b) Maintaining accounting records of the liquidation.
- c) Reviewing and filing IRD returns.
- d) Returning and filing ATO returns.
- e) Working with Australian tax specialists to assist in recovery of tax balances.
- f) Engaging legal counsel to assist in recovery of overseas debtors balances.
- g) Responding to creditor queries.

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

5. Proposals for completing the liquidation

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

- a) Calculation and payment of final unsecured creditors dividend distribution.
- b) Filing of final IRD returns and obtaining confirmation from IRD all trading taxation matters have been resolved.
- c) Completion and filing of final liquidators' report(s).
- d) 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 2021 are attached as Appendix 2.

The Liquidators' remuneration received for the period 7 February 2021 to 6 August 2021 was \$50,707 plus GST. A breakdown of the remuneration charged is set out in Appendix 3.



8. Estimated date of completion of liquidation

The Liquidators estimate the liquidation will be completed in November 2021. However, as previously noted, finalising the liquidation is dependent on third parties that are outside the Liquidators' control.

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

There will be a third and final dividend distributed to creditors which is scheduled to take place in November 2021. Once this distribution has been completed the liquidation will be finalised.

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 September 2021

A handwritten signature in black ink, appearing to read 'Andrew Grenfell'.

Andrew Grenfell
Liquidator



Appendix 1 – Receipts and payments

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

Ziera Shoes NZ Limited (In Liquidation)

| Receipts and payments summary 7 February 2021 to 6 August 2021 | | \$ |
|---|--|------------------|
| Funds on hand 7 February 2021 | | 1,255,375 |
| Receipts | | |
| GST received | | 2,182,889 |
| Interest income | | 79 |
| Pre appointment debtor receipts | | 1,786 |
| Total receipts | | 2,184,754 |
| Payments | | |
| Bank fees | | 243 |
| Bank revaluations | | 48,892 |
| Consultants fees | | 21,236 |
| Legal expenses | | 7,121 |
| Liquidators' disbursements | | 1,735 |
| Liquidators' fees | | 50,707 |
| Total payments | | 129,934 |
| Balance held as at 6 August 2021 | | 3,310,195 |



Appendix 2 – Hourly rates and disbursements

Liquidators' charge out rates effective 1 April 2021

| Explanation of hourly rates | | |
|-----------------------------|---|------------------------|
| Title | Guide to qualifications and roles | Hourly rate (excl GST) |
| Appointee/ Partner | 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 |
| 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. | \$555 |
| 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. | \$430 |
| 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. | \$380 |
| 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. | \$305 |
| 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. | \$290 |
| 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. | \$280 |
| 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. | \$175 |



| 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 February 2021 to 6 August 2021, relating to time incurred from 1 December 2020 to 31 July 2021¹.

| Ziera Shoes NZ Ltd time costs for the period 1 December 2020 to 31 July 2021 | | | | | | | |
|--|-----------------------|----------------|---------------|-------------|---------------|-------------------|--------------|
| Position | \$/hour (excl GST) | Administration | | Creditors | | Asset realisation | |
| | | Hours | Fees (\$) | Hours | Fees (\$) | Hours | Fees (\$) |
| Partner | 645 | 0.2 | 129 | 2.2 | 1,419 | 1.4 | 903 |
| Director | 555 | 23.0 | 12,750 | - | - | 3.2 | 1,771 |
| Senior Manager | 485 | - | - | 0.9 | 437 | 2.5 | 1,213 |
| Manager | 430 | - | - | - | - | - | - |
| Assistant Manager | 380 | 1.7 | 646 | 25.4 | 9,574 | - | - |
| Senior Analyst | 305 | 26.6 | 8,083 | 14.4 | 4,366 | 0.8 | 241 |
| Administrator | 280 | 0.8 | 224 | - | - | - | - |
| Secretary | 175 | - | - | - | - | - | - |
| Total (excl GST) | | 52.3 | 21,832 | 42.9 | 15,795 | 7.9 | 4,127 |

| Ziera Shoes NZ Ltd time costs for the period 1 December 2020 to 31 July 2021 | | | | | | | |
|--|-----------------------|------------|------------|-------------|--------------|--------------|---------------|
| Position | \$/hour (excl GST) | Trading | | Reporting | | Total | |
| | | Hours | Fees (\$) | Hours | Fees (\$) | Hours | Fees (\$) |
| Partner | 645 | - | - | - | - | 3.8 | 2,451 |
| Director | 555 | - | - | 0.8 | 440 | 27.0 | 14,960 |
| Senior Manager | 485 | 0.3 | 146 | - | - | 3.7 | 1,795 |
| Manager | 430 | - | - | - | - | - | - |
| Assistant Manager | 380 | 0.9 | 342 | - | - | 28.0 | 10,562 |
| Senior Analyst | 305 | 0.4 | 122 | 30.1 | 7,904 | 72.3 | 20,716 |
| Administrator | 280 | - | - | - | - | - | 224 |
| Secretary | 175 | - | - | - | - | - | - |
| Total (excl GST) | | 1.6 | 610 | 30.9 | 8,344 | 134.8 | 50,707 |

Please note that a rate change came into effect on the 1st of April 2021 and that for certain positions, hours multiplied by rate will not equal fees due to this.

Disbursements at cost for the period 7 February 2021 to 6 August 2021

| \$ | Total |
|-------------------------|--------------|
| IT costs | 214 |
| Office services charge | 1,521 |
| Total (excl GST) | 1,735 |

The Liquidators' declare that all disbursements were necessary and proper

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