



Insolvency matters

Business recovery specialists

Dinamics

Destination Management Limited (In
Liquidation)

Liquidators First Report to Creditors and Shareholders

pursuant to Section 255(2)(c)(ii)
of the Companies Act 1993

Insolvency Matters Limited
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Introduction and appointment:

- The company was placed into liquidation on 20 March 2020 at 9:45 pm by special resolution of the Company's shareholders pursuant to section 241(2)(a) of the Companies Act 1993 ('the Act'). Brenton Hunt was appointed Liquidator.
- Brenton Hunt is a RITANZ Insolvency Practitioner accredited by Chartered Accountants Australia and New Zealand.
- The liquidator has made the appropriate enquiries and is of the opinion that he is not barred from acting under section 280 of the Act.
- The Company in liquidation is insolvent.

Restrictions:

- This report has been prepared in accordance with and for the purpose of section 255 of the Act 1993. It is prepared for the sole purpose of reporting on the state of the affairs of the Company in liquidation and the conduct of the liquidation. This report is not intended for general circulation and may not be reproduced in full or in part. The Company in liquidation is insolvent.
- The statements and opinions expressed have been made in good faith and on the basis that all information relied upon is true and accurate in all material respects and not misleading by reason of omission or otherwise.
- In preparing this report the liquidator has relied upon the information and explanations provided to him. The liquidator has not independently verified or audited this information. The liquidator accepts no responsibility for the completeness or accuracy of the information contained in this report, nor does the liquidator accept liability for any losses occasioned to any party as a result of circulation, publication, reproduction or use of this report.
- The liquidator reserves the right, but will be under no obligation to review this report (and if necessary) to amend the report in light of any additional information existing at the date of this report which becomes known to the liquidator after that date.
- Unless otherwise stated all amounts are stated in NZ dollars.

Attachments:

- Appendix A – Notice of Liquidators Decision to Dispense with Meeting of Creditors.
- Appendix B – Declaration of Liquidators Independence to Creditors
- Appendix C – Estimated Statement of Affairs
- Appendix D – Listing of known creditors and their addresses as required by section 255(2)(c) of the Act. This listing is based on information available to the liquidators at the date of this report. If you are aware of other creditors not included in this listing please urgently advise the liquidators.
- Appendix E – List of Secured Creditors.

Company structure and operation:

Date of Incorporation:	2 May 2019
Company Number:	7434238
Registered office:	Sidekick Queenstown Limited, Level 3, Mountain Club, 36 Grant Road, Frankton
Former Names:	Dynamics 2019 Limited
Trading Address:	Level 2, 106 Gorge Road, Queenstown
Trading Name:	Dynamics Destination Management
Nature of business:	Event Management
Date ceased trading:	March 2020
Shareholder(s):	Scott Trevor Bellingham, Fabienne Louise Bellingham
Directors(s):	Scott Trevor Bellingham
Associated Companies:	n/a

Company history and directors' actions:

- The company provided event management services in the Queenstown area.

Reasons for insolvency:

- The director has advised that the Covid 19 events have damaged the business so badly that they had no other option than to liquidate the company.

Director's Obligations:

- The Companies Act 1993 requires that a director should not agree to, or cause, or allow the business of the company to be carried on, in a manner which "likely to create a substantial risk or serious loss to the company's creditors".
- The director(s) must exercise due care, diligence and skill that is reasonable director would exercise in the same circumstances.

Proper Books and Records:

- The director(s) must ensure that proper books and records are maintained to the standard specific by the Companies Act.

Decision to appoint Liquidator:

- The Liquidator was appointed by Special Resolution of the Company's shareholders pursuant to section 241(2) of the Act.
- The liquidation of the Company commenced on 20 March 2020 at 9:45 pm.

Liquidators' activities to date:

- Notified the Register of Companies;
- Advertised the appointment;
- Contacted the director to advise of appointment and its consequences;
- Contacted known creditors, where contact details were available, to confirm whether debts are outstanding. In particular secured creditors;
- Identification of plant and equipment;
- Disclaimed hire purchase contracts on two motor vehicles;
- Examination of information stored electronically;
- Contacted trading banks to identify a Company's Bank Account.

Proposals for conduct of the liquidation:

- Obtaining access to, and investigating, Company records regarding pre-liquidation transactions and operations;
- Sale of plant and equipment;
- Verify creditors claims;
- Gather information for investigation. This will include looking into the trading history of the Company and the directors actions;
- Seek to confirm the payment arrangements and identify any potentially insolvent transactions and any other avenues of asset recovery;
- Locate financial records including obtaining copies from third parties where available;
- If it is determined that sufficient funds will be available to make a distribution to creditors, the liquidator will, where applicable, contact creditors to request sufficient information to agree their claim. A distribution from the available funds will be made in accordance with the priorities set out in the Act.

Statement of Affairs – Assets:**Bank accounts:**

- The company bank account as in funds at liquidation.

Accounts Receivable:

- There are some accounts receivable balances to be worked through.

Plant and Equipment:

- Modest amount of plant and equipment to be collected and sold.

Motor Vehicles:

- Two motor vehicles, both of which the finance is more than their market value.

Current Account:

- Initial investigations indicate no overdrawn current account.

The liquidator is undertaking investigations to determine whether there are any claims, and / or other assets, that may give rise to additional recoveries for the benefit of creditors.

If you believe there are any other assets that the liquidator has not identified, please contact the liquidator with a description of these assets and their details.

Statement of Affairs – Liabilities:**Secured creditors:**

Secured creditors have 20 working days to elect which of the following power they wish to exercise:

- Realise the property subject to their charge; or
- Value the property subject to their charge and claim in the liquidation as an unsecured creditor for the balance of their claim, if any; or
- Surrender the charge to the Liquidator for the general benefit of creditors and claim as an unsecured creditor for the whole debt.

If a secured creditor fails to notify the Liquidator of their election within 20 working days, their charge will be surrendered to the Liquidator for the general benefit of creditors and they may claim in the liquidation as an unsecured creditor for the whole debt.

If you hold a security interest over the Company's assets or have a retention of title over assets owned or controlled by the Company and you have yet to be contacted by the liquidator in regard of your interest, please contact the liquidator immediately.

A search of the Personal Property Securities Register disclosed the following security interests registered against the Company at the date of liquidation.

Secured Party	Date	Collateral Type	Asset(s) Description
Heartland Bank	12/06/2019	GSA	Present and after acquired property
Toyota Finance	7/06/2019	Motor Vehicle	Toyota Rav4
Toyota Finance	7/06/2019	Goods	Goods

Preferential Creditors:

- Staff wages and holiday paid prior to liquidation.
- GST estimated as a refund.

Unsecured creditors:

- Unsecured creditors estimated at \$200,000.
- Details of unsecured creditors are contained in Attachment C pursuant to s255(2)(c) of the Companies Act 1993.
- The liquidator fixes the date of 27 September 2019 as the day on or before which creditors of the company are to make their claims and establish any priority, under Section 312 of the Act, or to be excluded from the benefit of any distribution made before the claims are proved or, as the case may be, from objecting to the distribution.

Estimated Statement of Assets and Liabilities:

- The liquidator has prepared a balance sheet showing the estimated assets and liabilities of the Company at the date of liquidation. A copy of this is attached as Appendix C 'Estimated Statement of Affairs'.
- The Statement of Affairs is based on information the liquidator has available. The liquidator has not verified its contents at this stage.
- The liquidator notes the following regarding the Statement of Affairs that all realisations are subject to liquidators' fees and expenses in priority to other creditors, and all balances are at book value, where available.
- Subject to further verification the liquidator estimates that there will be no funds available to unsecured creditors. However, this will depend on the progress of the liquidation.

Financial Statements:

- Annual accounts have not been completed for the company.

Expected completion date of liquidation:

- It is not practicable to provide an estimated date for the completion of the liquidation at this stage.

Prospect of a Dividend

- It is also not possible to provide a definitive statement as to whether sufficient assets will be realised for the purposes of making payment to any class of creditor.

Future Reporting:

- Reports on the conduct of the liquidation and on proposals for the completion of the liquidation will be prepared and distributed six monthly in accordance with section 255 of the Act. A final report will also be prepared and distributed in accordance with section 257 of the Act at the completion of the liquidation.

Financial Statements:

- Should you have any information that you believe would lead to realisations for the benefit of creditors please set out details in writing attaching copies of documentary evidence and send to the liquidator. Please note that the liquidator can only act on written information as telephone or other conversations will be regarded as hearsay by any court.

Contact details:

Physical

Brenton Hunt
Insolvency Matters Limited
Unit 3, 245 St Asaph Street
Christchurch

Phone

03 366 6115.

Postal

Brenton Hunt
Insolvency Matters Limited
PO Box 13 400
Christchurch

Email

brenton@insolvencymatters.co.nz.

Dated: 24 March 2020



Brenton John Joseph Hunt
Liquidator

Pursuant to section 245(1)(b) of the Companies Act 1993 the Liquidator does not consider that a meeting of creditors should be held as there are insufficient assets to warrant the cost of a meeting and the Liquidator is presently unaware of any other issues that would require consideration by creditors.

Accordingly, no meeting of creditors will be convened unless the Liquidator receives notice in writing from a creditor requiring him to hold a meeting pursuant to Section 245(c) of the Act within 10 working days of their receipt of this notice.

Section 314 of the Companies Act 1993 permits any creditor or shareholder of the company to request the Liquidators in writing (at any time during the course of the liquidation) to call a meeting of creditors or shareholders.

Should any creditor wish give notice they require a meeting of creditors to be called they are requested to provide the following information in their notice:

- The nature of the business they require to be transacted at any such meeting; and
- The text of any motion they require to be put to any such meeting.

The Liquidator may decline a request by a creditor or a shareholder to call a meeting on the ground that:

- The request is frivolous or vexatious; or
- The request was not made in good faith; or
- The costs of calling the meeting would be out of proportion to the value of the company's assets.

The decision to decline a request may be reviewed by the Court on the application of any creditor or shareholder.

Dated: 24 March 2020



Brenton John Joseph Hunt
Liquidator

Independence:

The liquidator declares that he has undertaken an assessment of risks of independence prior to accepting the appointment as liquidator of the company. This assessment has identified no real or potential risk to independence and the liquidator is not aware of any reasons to prevent the acceptance of the appointment.

Declaration of Relationships:

Circumstances of appointment:

The liquidator was approached by the professional advisor of the company to give an opinion of the voluntary liquidation of the company.

A phone meeting was organised with the director on the 13 March 2020. At this meeting the financial position of the company, the insolvency options available and discussion around the appointment process were discussed. Paperwork was prepared after the meeting and the shareholder signed at a later date and sent paperwork back.

The liquidator was not remunerated for these meeting(s). As is usual practice paperwork was prepared and the shareholder special resolution signed at a later date.

The pre-appointment(s) referral and discussions do not affect the liquidator's independence as it is accepted by New Zealand law that pre-appointment advice on the insolvency process and available options is a necessary function and no impediment to accepting an appointment.

The liquidator and Insolvency Matters have provided no other information or advice to the Company, director and shareholders prior to the appointment.

Prior Relationship with the Company and its Associates:

The liquidator declares that he has no relationship (professional or personal) with the company or its associates within the last two years.

Other Relevant Relationships:

The liquidator has had no other known relevant relationships, including personal, business and professional from the previous two years with the Company, a known associate of the Company, another creditor holding over all or substantially all of the Company assets and undertakings, that should be disclosed.

The liquidator declares that he has no business relationship with the any of the advisors of the company beyond being one of the insolvency practitioners they contact to assist with any insolvency projects. No 'finders fee' or 'incentive' has been paid to the advisors of the company.

Indemnities and up-front Fee:

The liquidator has not received an indemnity from shareholders for the liquidation of the company.

If a company has no assets in it a liquidator may from time to time receive a fee from the shareholder(s) to cover compliance costs and disbursements. If this is the case it will be reported in future reports. Any payment would not be conditional upon an outcome, it would only be to cover costs, and accordingly does not pose a conflict of interest.

Liquidators Fees:

The liquidation fees will be calculated on time based charging. The current rates of remuneration for the liquidator and the staff involved in carrying out the liquidation are as follows:

- Liquidator \$300 per hour
- Insolvency Staff \$150 - \$200 per hour
- Administration Staff \$115 - \$145 per hour

Where ever possible the work will be carried out by the person most appropriate level to carry out the work in a competent and cost effective manner, the interest of the creditors being paramount.

Dated: 24 March 2020



Brenton John Joseph Hunt
Liquidator

	Note	Book Value \$	Estimated to realise \$
Assets available for PMSI creditors / specific charges			
Motor Vehicles			\$30,000
Total Assets subject to specific charges			\$0
Less specific Secured Creditor			\$36,000
			(\$6,000)
Assets not subject to specific charges / available for preferential creditors			
Accounts Receivable			\$69,316
Less Preferential creditors			
			\$
Surplus (deficit) to secured creditors			\$63,316
Assets Available for Secured Creditors			
Bank Balance			\$190,000
Plant and Equipment *			\$5,000
Amounts owed to General Secured Creditors			\$132,930
Surplus (deficit) available for unsecured creditors			\$125,316
Unsecured creditors			\$150,000
Total shortfall to all creditors			\$24,614
NB: This statement is subject to costs of the liquidation.			

Disclaimer of Liability

The Liquidator has complied the Statement of Affairs as at the date of Liquidation

A compilation is limited to the collection, classification and summarisation of the books and records of the company together with information supplied by the Director(s). A complication does not involve the verification of that information. The Liquidator has not carried out an audit or review assignment of the information supplied and therefore does not accept any responsibility for the accuracy of the information from which the Statement of Affairs has been prepared. Further, the Statement of affairs has been prepared for the purpose of the liquidation only, and the Liquidator does not accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.



Brenton John Joseph Hunt
Liquidator

Unsecured Creditor	Street Name	Suburb	City	Email Address
ACC				business@acc.co.nz
Appellation Wine Tours				sarahg@appellationcentral.co.nz
Around the Basin	PO Box 138		Queenstown 8348	
Canyon Brewing				hello@canyonfoodandbrew.co.nz
Cartridge World				accounts@cartridgeworld.co.nz
Dart River	PO Box 76		Queenstown	
Easyski	3 Devon Street		Arrowtown 9302	
Focus				Karen.iremonger@focus.net.nz
Hire Pool				Dunedin@continentaleventhire.co.nz
Ingram Micro	PO Box 102-921		Auckland 0632	
Inland Revenue Department	PO Box 39010	Wellington Mail Centre	Lower Hutt 5045	
Maheno Property				pillans@xtra.co.nz
Megapix				info@222photographicstudios.com
Milford Sound				accounts@msflights.co.nz
Nova Energy				info@novaenergy.co.nz
NZ Ski				invoicing@nzski.com
Pacific Linen	2E Traders Lane	McNulty Road	Cromwell	
Print Central				enquiries@printcentral.co.nz
Queenstown Taxi				manager@queenstowntaxis.com
Sartorius Australia and Sartorius Australia Pty Ltd				
Sceinic NZ	PO Box 39034	Harewood	Christchurch 8545	
Sidekick Queenstown				lisa@sidekickca.co.nz
Spark				Kathryn.Bennett@spark.co.nz
Skyline				queenstown.receivables@skyline.co.nz
The Fat Lamb	PO Box 1202		Queenstown 9348	

Unsecured Creditor	Street Name	Suburb	City	Email Address
Buddle Findlay				Chris.miller@buddlefindlay.com
Professionals Real Estate Group				melanie@professionals.co.nz
Australasian Winter Conference of Brian Research				Ruth.Empson@otago.co.nz
Abortion providers conference				iwood@amac.org.nz
Australasian Cytometry Society Conference				a.brooks@Auckland.ac.nz
Jade Taylor				jadetaylorfreelance@gmail.com
Katie Bowden-Tegoat				katie.bowden.tregoat@outlook.com
Elise Sabin				elise_sabin@hotmail.com
Elizabeth Trevathan				etrevathan@gmail.com

Secured Creditor	Street Name	Suburb	City	Email Address
Heartland Bank				Daniel.Garbers@heartland.co.nz
Toyota Finance				Vidya.Maharaj@tfs.co.nz