



McDonald
Vague

business recovery partners

**AXYX Limited
(In Liquidation)
(formerly known Applied Hearing (1987)
Limited until 27 October 2016)**

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**Liquidators' Third Report
For the period from 28 April 2017 to 27 October 2017**

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of AXYX Limited ("the company") on 28 October 2016.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This third report should be read in conjunction with the liquidators' previous reports. This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is **attached**.

2 RESTRICTIONS

Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Debtors

(Statement of Affairs: \$Unknown)

The liquidators have recovered \$30,455 from company debtors. There are some amounts still outstanding, including an amount from Earmax New Zealand Limited (In Liquidation), but further recoveries appear unlikely at this stage.

3.2 Fixed Assets **(Statement of Affairs: \$Not Disclosed)**

The liquidators have received \$8,831 from the sale of plant and equipment including computer equipment.

3.3 Inventory **(Statement of Affairs: \$Not Disclosed)**

Sale of stock amounts to \$26,657. There is no further inventory to be sold.

3.4 Motor Vehicles **(Statement of Affairs: \$Not Disclosed)**

The sale of company vehicles has realised \$47,000.

There are a number of BMW vehicles with an estimated value of \$260,000, that were purchased from trust monies, that are owned by the company and are subject to a security claimed by the Trust, which is related to the director.

The validity of that security is being reviewed by the liquidators. In the interim, pursuant to an agreement between the liquidators and the Trust, the vehicles are being stored by the Trust until the issue of the claimed security is finalised.

3.5 Intellectual Property

The intellectual property of the company has been sold for \$130,000

3.6 Bank Account Closure and Cash at Hand

At closure of the company bank account \$2,023 was received and cash at hand totalled \$654.

4 INVESTIGATIONS

The liquidators are continuing their investigations into the books, records and affairs of the company. The director has serious health issues at present and this is delaying the IRD audit process and the liquidators' investigations.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim has been received from a Trust related to the director for \$260,000. As outlined in 3.4 above, the liquidators are reviewing the validity of this claim.

5.2 Preferential Creditors

Total preferential claims for wages or salary, holiday pay and redundancy amount to \$34,123. The preferential employees have been paid in full.

A preferential claim was received from New Zealand Customs for \$354. This amount has been paid in full.

The Inland Revenue Department has submitted a preferential claim for \$4,609 however they are currently carrying out an audit of the company and the amount of the preferential claim could change depending on the result of that audit.

No dividend has been paid to the Inland Revenue Department at the date of this report.

5.3 Unsecured Creditors

As at the date of preparing this report 42 unsecured creditors claim forms have been received which total \$437,063. This includes an amount claimed by the trust, referred to in 5.1, which is under review. 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.

6 FUNDS / LIKELY OUTCOME

It is too early to determine whether or not there will be a distribution to unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Finalise the review of the Trust secured claim
- Finalise the review of the company's records and affairs
- Completion of the IRD audit

8 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators are unable to estimate when the liquidation will be completed.

9 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI (07) 838 0908 or by email to CSanderson@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 6th day of November 2017

Realisations and Distributions

AXYX Limited (In Liquidation) 28 October 2016 to 27 October 2017

Realisations	Cash Received \$
Bank Account Closure and Cash at hand	1,200
Debtors	30,455
GST Refund	6,658
Insurance Refund	641
Interest	947
Sale of Computer Equipment	174
Sale of Intellectual Property	130,000
Sale of Inventory	26,657
Sale of Motor Vehicles	47,000
Sale of Plant and Machinery	8,831
Sundry receipts	581
Total Realisations	\$253,144
Payments	
Liquidators Fees	
Liquidators Fees	127,300
Disbursements	1,932
Total Liquidators Fees	\$129,232
Other Costs of Liquidation	
Bank Fees	70
Commission	4,646
Legal Fees	2,784
RWT	106
Trading on Expenses	3,075
Trading on Wages & PAYE	3,891
Total Costs of Liquidation and Trading On	\$14,572
Distributions	
Preferential Claim NZ Customs	354
PAYE on Preferential Wages & Holiday Pay	8,330
Preferential Wages & Holiday Pay	26,083
Total Distributions to Creditors	\$34,767

Total Payments	\$178,571
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BALANCE HELD	\$74,573
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Note: the above figures are GST exclusive