



McDonald  
Vague

business recovery partners

## Blossom 5 Limited (In Liquidation)

McDonald Vague Limited  
Level 10, 33 Federal Street  
Auckland Central

### Liquidators' First Report

P O Box 6092  
Victoria Street West  
Auckland 1142  
New Zealand

**TO: The directors, shareholders, and known creditors of the company**

p: 09 303 0506  
f: 09 303 0508

#### 1 INTRODUCTION AND APPOINTMENT

e: [insol@mvp.co.nz](mailto:insol@mvp.co.nz)  
[www.mvp.co.nz](http://www.mvp.co.nz)

Blossom 5 Limited ("the company") was placed into liquidation by the High Court at Auckland pursuant to Section 241(2)(c) of the Companies Act 1993 ("the Act") on 29 May 2020 at 10:16 a.m. on the application of the Melanesian Mission Trust Board. Iain McLennan and Keaton Alexander Pronk, RITANZ Accredited Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of the company.

#### 2 RESTRICTIONS

In preparing this report and its appendices, we have relied upon information provided to us. We have not independently verified or audited that information. 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, amend this report to take into account any information existing at the date of this report that becomes known to us after this report is published.

#### 3 INDEPENDENCE

A declaration of independence is attached at Appendix 2. As far as we are aware there are no conflicts real, perceived, or risks of independence.

#### 4 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs setting out the company's estimated financial position
- Appendix 2: Declaration of independence / relationships / indemnities and upfront payments
- Appendix 3: Schedule of company creditors' names and addresses
- Appendix 4: Notice of Liquidators' decision to dispense with meeting of creditors
- Appendix 5: Notice to creditors to prove debts or claims
- Appendix 6: Creditors claim form

## 5 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	17 March 2016
Company number:	5920027
Date ceased trading:	Continuing trade
Nature of business:	Rental of Commercial Property
Trading address:	77 Carlton Gore Road, New Market
Share capital:	100 Shares
Shareholders:	Jimmy Huang 90 Shares
	Hsiang-chieh Chen 5 Shares
	Jeicy S C Huang 5 Shares
Director:	Jimmy Huang
Related companies:	Lotus 7 Limited

The Melanesian Mission Trust Board (Trust Board) owns the property at 77 Carlton Gore Road, Newmarket. The company took assignment of the ground lease for the property in August 2016 and purchased the existing building from Fenton Projects Limited.

Ground rent increased due to a scheduled rent review in September 2018 and, while disputed, rent payments fell into arrears.

The dispute went to arbitration in October 2019 and the decision of the arbitrator, which resulted in an increased ground rent, was released on 12 November 2019.

The company failed to pay the outstanding rent as determined by the arbitrator and the Trust Board initiated the proceedings leading to the appointment of the Liquidators.

## 6 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

## 7 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

With the co-operation of the Melanesian Mission Trust Board and the tenants we are continuing to operate the business while decisions are made on the status of a secured creditor and how best to deal with the company's assets.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties and take appropriate steps where necessary.

If there are funds available for distribution to creditors, we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

## **8 LIABILITIES AND CREDITOR CLAIMS**

A schedule of known creditors and their addresses is provided at Appendix 3, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is provided at Appendix 5. Also provided is a creditor's claim form at Appendix 5 for completion and return to this office by Friday, 3 July 2020. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor, please contact us and the appropriate form will be sent to you.

### **8.1 Secured Creditors**

As at the date of liquidation two secured parties had registered security interests against the company on the Personal Property Securities Register.

A specific security is registered over the BMW motor vehicle, owned by the company, in favour of BMW Financial Services Limited.

There is no equity in the vehicle for the company and it has been uplifted by the secured creditor.

A General Security was registered on the PPSR on 13 December 2019 in favour of two of the shareholders, Jeicy Huang and Hsiang-Chieh Chen.

A signed Term Loan Contract, dated 1 April 2016, has been provided by the secured creditor. Further information has been requested from the secured creditor in relation to the amount currently owed.

#### *Personal Property Securities Act / Reservation of Title*

If any creditor believes that they hold a Purchase Money Security Interest entitling them to any goods or proceeds from realisation of goods, they should contact us immediately.

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

### **8.2 Preferential Creditors**

The applicant creditor's preferential claim for Court awarded costs amounts to \$3,346.

### **8.3 Unsecured Creditors**

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors, including the landlord, is approximately \$1,162,391.

## **9 CREDITORS' MEETING / LIQUIDATION COMMITTEE**

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Any creditor or shareholder may at any time in the course of the liquidation request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993, for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

## **10 FURTHER INFORMATION**

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence, and send it to us. Please note that it can be difficult for liquidators to act in reliance on information that is not provided in writing.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on your creditors' claim form.

This report and all subsequent reports will be available on the Liquidators' website at [www.mvp.co.nz](http://www.mvp.co.nz)

## **11 ESTIMATED DATE OF COMPLETION**

It is currently too early to estimate a date of completion for the liquidation.

## **12 CONTACT DETAILS**

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

The Liquidators can be contacted at:

McDonald Vague Limited  
Level 10, 33 Federal Street  
Auckland 1010

P O Box 6092  
Victoria Street West  
Auckland 1142



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IAIN McLENNAN  
LIQUIDATOR

DATED this 24<sup>th</sup> day of June 2020

**Blossom 5 Limited (In Liquidation)**  
**Statement of Affairs**

Statement of Affairs for the above named company as at 29 May 2020 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

<b>ASSETS SPECIFICALLY PLEDGED</b>	<i>Estimated to Realise</i>	<i>Due to Secured Creditor</i>	<i>Deficiency Ranking as Unsecured</i>	<i>Surplus</i>
BMW motor vehicle - BMW Financial Services	44,000	69,430	(25,430)	-
			-	-
<b>Estimated surplus / (deficiency) as regards specifically pledged assets</b>	<b>\$ 44,000</b>	<b>\$ 69,430</b>	<b>(\$25,430)</b>	<b>\$ -</b>
<b>ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>				
			<i>Book Value</i>	<i>Estimated to Realise</i>
Accounts receivable (See note 6 below)			542,108	31,873
Related party loan			51,002	Unknown
Total			<b>593,110</b>	<b>31,873</b>
<b>Less preferential creditors</b>				
Applicant creditor				3,346
Total				<b>3,346</b>
<b>Estimated surplus as regards preferential creditors</b>				
				<b>\$28,527</b>
<b>ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S</b>				
			<i>Book Value</i>	<i>Estimated to Realise</i>
Estimated surplus from assets specifically pledged				-
Estimated surplus as regards preferential creditors				28,527
Building & fitout at 77 Carlton Gore Road			630,591	630,591
Total			<b>630,591</b>	<b>659,118</b>
<b>LESS GENERAL SECURITY AGREEMENT HOLDER/S</b>				
J Huang and H-S Chen (See note 7 below)				76,113
Total				<b>76,113</b>
<b>Estimated surplus as regards General Security Agreement holders</b>				
				<b>\$583,005</b>
<b>Surplus/(Deficiency)</b>				
				<b>583,005</b>
<b>AVAILABLE FOR UNSECURED CREDITORS</b>				
				<b>583,005</b>
<b>LESS UNSECURED CREDITORS</b>				
Estimated deficiency as regards Secured Creditors				25,430
Estimated deficiency as regards General Security Agreement holders				-
Estimated deficiency as regards preferential creditors				-
Trade creditors				23,912
Landlord - ground rent				840,634
Shareholder current account				297,845
<b>Estimated surplus/(deficiency) as regards unsecured creditors</b>				
				<b>(\$604,816)</b>

**Notes:**

- There is no unpaid capital liable to be called up.
- The above estimates are subject to the costs of the liquidation.
- Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
- The General Security Agreement holder's claim will continue to accrue interest until fully paid.
- There is a contingent liability in respect of the lease of the premises.
- The book value for accounts receivable includes a disputed amount recorded as owed by the landlord to the company
- Estimate only. The amount owed to the secured creditor is yet to be confirmed

**Disclaimer of Liability:**

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

**Appendix 2**

## Blossom 5 Limited (In Liquidation) Declaration of Independence / Relationships / Indemnities and Upfront Payments

**A DECLARATION OF INDEPENDENCE**

- (i) The appointed and McDonald Vague Limited have undertaken a proper assessment of the risks of independence prior to accepting appointment in accordance with the law code of conduct and applicable professional standards and have concluded that they have no prior business or professional relationship with the insolvent that is a real or potential risk and that they are independent.

**B DECLARATION OF RELATIONSHIPS**


- (ii) The appointed and McDonald Vague Limited have no prior business or professional or personal relationship with known associates of the insolvent or the major secured creditors that are a real or potential risk. and that they are to the extent of:

Name	Relationship	Reason
BMW Financial Services	Professional	McDonald Vague has dealt with BMW Financial Services on other insolvency matters

- (iii) The appointed disclose there are no other relevant relationships to declare.
- (iv) The appointed and McDonald Vague Limited have not provided any prior professional services to the insolvent or known associates of the insolvent in the prior two years.

**C DECLARATION OF INDEMNITIES AND UPFRONT PAYMENTS**

- (v) There is no indemnity nor upfront payment.



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IAIN McLENNAN  
LIQUIDATOR

DATED this 24<sup>th</sup> day of June 2020

## Appendix 3

### Blossom 5 Limited (In Liquidation) Schedule of Creditors' Names and Addresses

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

Creditor Names	Address 1	Address 2	Address 3
ANZ Bank New Zealand Limited	P O Box 788	AUCKLAND	
Auckland Council	Private Bag 92 300	AUCKLAND 1142	
BMW Financial Services New Zealand Limited	P O Box 9510	Newmarket	AUCKLAND
24/7 Fastlocksmith NZ Limited	10 Constitution Hill	AUCKLAND 1010	
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
McKenzie & Co	PO Box 259309	Botany	AUCKLAND 2163
Melanesian Mission Trust	C/- Chapman Tripp	P O Box 2206	AUCKLAND 1140
Mercury Energy Limited	P O Box 90 399	AUCKLAND 1142	



## Appendix 4

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### Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Blossom 5 Limited (In Liquidation) and the likely result of the liquidation, the liquidators propose to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Colin Sanderson of this office on DDI (07) 838 0908 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.



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IAIN McLENNAN  
LIQUIDATOR

DATED this 24<sup>th</sup> day of June 2020

## Appendix 5

IN THE MATTER of                    The Companies Act 1993

and

IN THE MATTER of                    Blossom 5 Limited (In Liquidation)

### Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of Blossom 5 Limited (In Liquidation) ("the company"), fix Friday, 3 July 2020, as the day on or before which the company's creditors are to make their claims and establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.



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IAIN McLENNAN  
LIQUIDATOR

DATED this 24<sup>th</sup> day of June 2020

#### ADDRESS OF LIQUIDATOR

McDonald Vague Limited  
Level 10, 33 Federal Street  
AUCKLAND 1010

P O Box 6092  
Victoria Street West  
AUCKLAND 1142

Telephone: (09) 303 0506  
Facsimile: (09) 303 0508  
Website: [www.mvp.co.nz](http://www.mvp.co.nz)

**DATE OF LIQUIDATION: 29 May 2020**



McDonald Vague

business recovery partners

McDONALD VAGUE LIMITED
PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Unsecured Creditor's Claim
(Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993
(For help see www.mvp.co.nz or email
claims@mvp.co.nz)

Grid of 10 empty boxes for stamping or tracking.

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL
\* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.
The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.
Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must -
(a) Contain full particulars of the claim; and
(b) Identify any documents that evidence or substantiate the claim.
You may have access to and request correction of any personal information.
(\*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION:
(IN LIQUIDATION)
If claim is made on behalf of creditor, specify relationship to creditor and authority
claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM:
1. I am an unsecured creditor for (Also applicable to secured creditors who hereby surrender their security)
2. I am a preferential creditor for (Refer details on reverse)
3. I am an unsecured creditor for (State currency if other than \$NZ) Other Currency
4. I have claimed retention/reservation of title rights pursuant to rights held by me
Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you. Tick if Applicable
Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.
(The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are not required to attach any supporting documents at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED: Date: / /

WARNING
It is an offence under Section 304(6) of the Companies Act 1993 to -
Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or
Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received (Date Stamp)
RESERVED FOR OFFICE USE:
Claim admitted/rejected for voting purposes: (Delete one)
Signed: Date: / /
Preferential Claim for: Ordinary Claim for:
CLAIM REJECTED FOR PAYMENT: \$
or CLAIM ADMITTED FOR PAYMENT: \$
Signed Liquidator: Date: / /
Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.



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If the creditor owes money to the company, please give full details

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

**CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.**

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

**PREFERENTIAL CLAIMANTS ONLY**

**Guideline**

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$23,960 or such greater amount as is prescribed at the commencement of the liquidation.

1 . Why do you believe you are a preferential creditor?  
(eg.employee, GST, etc) \_\_\_\_\_

2. Details of your claim: \_\_\_\_\_  
\_\_\_\_\_

If applicable please record here your GST Registration number: \_\_\_\_\_

and total GST included in your tax invoice: \$ \_\_\_\_\_