



McDonald
Vague

business recovery partners

**Blossom 5 Limited
(In Liquidation)**

**Liquidators' Second Report
For the period from 29 May 2020
to 28 November 2020**

McDonald Vague Limited
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1 INTRODUCTION AND APPOINTMENT

Iain McLennan and Keaton Pronk, Licensed Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of Blossom 5 Limited ("the company") on 29 May 2020 by the High Court at Auckland.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This second report should be read in conjunction with the liquidators' previous report. 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

The liquidators have continued to trade the business, with five tenants paying rent and operating expenses, whilst engaging with the landowner and endeavouring to find a buyer for the assets. The circumstances of the property meant that the liquidators engaged a real estate agent, advertising material was distributed, and expressions of interest sought. No buyer has been identified and the liquidators have been given Notice of the Termination of the ground lease.

Asset Realisations

3.1 Debtors

(Statement of Affairs: \$31,873)

The amount of \$29,684 has been recovered. The amount recorded in the company's records as owed by the landlord is not owed. There are no further accounts receivable to recover

3.2 Related Party Loan

(Statement of Affairs: \$51,002)

The full amount of the related party loan has been recovered

3.3 Motor Vehicles

(Statement of Affairs: \$44,000)

The BMW motor vehicle was subject to security in favour of BMW Financial Services. The vehicle was returned to the secured creditor. There was no equity in it for the company.

4 INVESTIGATIONS

The liquidators are continuing their investigations into the books, records, and affairs of the company.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim has been received from Jeicy S C Huang and Hsiang-chieh Chen in respect of a General Security Agreement for the amount of \$44,113. The liquidators are still trying to obtain details from the secured creditors, who are related to the company director, in relation to payments that have been made by the company in reduction of the secured advances.

5.2 Preferential Creditors

A preferential claim has been received in respect of the applicant creditor's costs of \$3,346. This amount has been paid in full.

5.3 Unsecured Creditors

As at the date of preparing this report five unsecured creditors claim forms have been received which total \$864,309. 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 LIQUIDATORS' FEES

Liquidators' fees accrued to the date of this report are \$50,475 excluding GST. The fees are based on 175.21 hours of work undertaken as follows:

Work Category	Hours	\$
Appointment functions	24.48	6,120
Asset realisations & Trading on	70.82	22,450
Creditors' claims, enquiries and reports	15.62	4,514
Taxation & Management	37.39	8,575
Investigations	26.90	8,816
Total	175.21	\$50,475

Fees taken to the date of this report amount to \$50,051 excluding GST.

Liquidators' fees in a Court ordered liquidation are to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder, or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

7 FUNDS / LIKELY OUTCOME

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

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Sale of the company's business and assignment of the ground lease
- Completion of the review of the company's books and records

9 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators within the next year.

10 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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IAIN MCLENNAN
LIQUIDATOR

DATED this 2nd day of December 2020

Realisations and Distributions

Blossom 5 Limited (In Liquidation) 29 May 2020 to 28 November 2020

Realisations	Cash Received
	\$
Entrust Dividend	280
Related Party Recoveries	51,003
Debtors	29,684
Rental Income	173,055
Opex income	16,612
IRD Income Tax refund	28
Pre liquidation GST refund	34,591
Total Realisations	\$ 305,253
Payments	
Liquidators Fees	
Liquidators Fees	50,051
Disbursements	242
Total Liquidators Fees	\$ 50,293
Other Costs of Liquidation and Trading On	
Insurance	3,557
Trading on Maintenance	1,579
Trading on power	11,216
Trading on water	1,512
Ground rent	131,924
Selling costs	4,705
GST Paid on trading on income	10,205
Total Costs of Liquidation and Trading On	\$ 164,698
Distributions	
Applicant creditor costs	3,346
Pferential GST & PAYE	
Total Distributions to Creditors	\$ 3,346
Total Payments	\$ 218,337
BALANCE HELD	\$ 86,916

Note: the above figures are GST exclusive