



McDonald
Vague

business recovery partners

**Chok D Erawan Limited
(In Liquidation)
Trading as: Erawan Thai, Authentic Thai Cuisine**

McDonald Vague Limited
Level 10, 52 Swanson Street,
Auckland Central
PO Box 6092, Wellesley Street,
Auckland 1141, New Zealand

**Liquidators' Second Report
for the period from 29 June 2018 to 28 December 2018**

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1 INTRODUCTION AND APPOINTMENT

Iain McLennan and Peri Micaela Finnigan, Accredited Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of Chok D Erawan Limited ("the company") on 29 June 2018 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

Asset Realisations

3.1 Sale of Business

The restaurant was profiled and advertised, and direct contact was made with potentially interested parties. A business broker was also engaged during the process. The business sold for \$70,000.

3.2 Bank Account Closure

(Statement of Affairs: \$2,798)

The liquidators received \$2,799 on closure of the company bank and \$35 from cash to hand. The liquidators also recovered \$2,260 from delayed Eftpos/Credit Card receipts.

3.4 Debtors

Debtor recovery to date amounts to \$10.

3.5 Sale of Motor Vehicle and Inventory

(Statement of Affairs: \$Unknown)

The amount of \$4,870 was recovered on sale of the company Toyota Rav 4 motor vehicle, and \$61 from the sale of stock.

4 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. The liquidators' established after investigation of the company bank accounts that a considerable amount of money is owed by the director for funds withdrawn from the company from 12 March 2015 to 9 May 2018 that could approximate \$400,000. The director appears to have no means to repay those funds.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim has been received from Lion Liquor Retail Limited (T/As Liquor King) for \$221 in respect of a General Security Agreement. The secured creditor had stock at the restaurant returned valued at \$61.

On sale of the Toyota Rav 4, Motor Trade Finance were paid in full their security interest of \$2,929.

5.2 Preferential Creditors

A preferential claim has been received in respect of the applicant creditor's costs of \$3,360. The applicant creditor has been paid the sum of \$3,090 net of GST.

The Inland Revenue Department has submitted a preferential claim for \$13,342. This amount has been paid in full.

On investigation, the company had not filed GST returns since 31 January 2015, or PAYE returns since June 2017. A significant amount of GST is owed to the Inland Revenue Department on bank deposits of approximately \$110,000.

5.3 Unsecured Creditors

As at the date of preparing this report seven unsecured creditors claim forms have been received which total \$203,753. 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 to the date of this report are \$45,236 including GST (\$39,336 excluding GST). The fees are based on 177.40 hours of work undertaken as follows:

Work Category	Hours	\$
Appointment functions	41.80	9,149
Asset realisations	94.80	21,410
Creditors' claims, enquiries and reports	15.70	4,070
Taxation	2.90	660
Investigations	22.20	4,047
Total	<u>177.40</u>	<u>\$39,336</u>

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

At this stage the liquidator does not anticipate paying a distribution to unsecured creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Recovery of the directors current account balance
- Completion of the liquidation

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 David Taylforth on DDI (09) 06 3344 or by email to dtaylforth@mvp.co.nz.

The Liquidators can be contacted at:

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IAIN McLENNAN
LIQUIDATOR

DATED this 30th day of January 2019

Realisations and Distributions

Chok D Erawan Limited (In Liquidation) 29 June 2018 to 28 December 2018

Realisations	As Per Statement of Affairs \$	Cash Received \$
Sale of Business	Unknown	70,000
Bank Account Closure	2,798	2,799
Cash on Hand	-	35
Debtors	-	10
Interest	-	17
Sale of Assets and Inventory	Unknown	4,931
Trading on Sales	-	2,260
Total Realisations	\$Unknown	\$80,053
Payments		
Liquidators Fees		
Liquidators Fees		37,746
Disbursements		479
Total Liquidators Fees		\$38,225
Other Costs of Liquidation		
Agent's Commission		10,000
Commission on Sales		619
Rent		3,819
Security for Premises		273
Insurance		355
Residents Withholding Tax on Interest		5
Total Costs of Liquidation		\$15,071
Distributions		
Secured Creditor		2,991
Preferential GST and PAYE		13,342
Preferential Applicant Creditors		3,090
Total Distributions to Unsecured Creditors		\$19,423
Total Payments		\$72,719
BALANCE HELD		\$7,334

Note: the above figures are GST exclusive