



McDonald
Vague

business recovery partners

CM Contracting Limited (In Liquidation)

Liquidators' Fifth Report For the period from 17 June 2021 to 16 December 2021

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1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of CM Contracting Limited (“the company”) on 17 December 2019 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 fifth 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: \$Nil)

The company records show that there was up to \$780,913 owed by debtors, including a related company in Rarotonga owing \$148,058. Recovery investigations remain underway as the liquidators continue to resolve disputes with debtors and receive further information from them as to what was/was not supplied and what has and has not been paid for. To date \$180 has been recovered from debtors.

3.2 Overdrawn Shareholders Current account

Overdrawn shareholder current accounts were identified in the names of the shareholders and letters were sent requesting payment.

Samuel Capper was bankrupted on 14 October 2020. We have filed a claim in the bankruptcy in relation to his current account. Teau McKenzie entered the No Asset Procedure with the Insolvency & Trustee Service on 18 February 2021 on the basis that she had no assets and debts of less than \$50,000. We have reviewed whether her claim to have no assets is correct. This is an ongoing matter.

3.3 Fixed Assets

The liquidators are continuing their efforts to realise the assets in the Cook Islands. Payment has been received of \$75,000 in relation to the sale of a truck/trailer settled on 29 June 2021. We are aware of other potential assets on Rarotonga and will consider pursuing those when access to Rarotonga is not restricted.

3.4 Pre-Liquidation GST returns

Pre liquidation GST returns have recovered \$7,615.

4 INVESTIGATIONS

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

5 CREDITORS' CLAIMS

5.1 Secured Creditors

Two claims have been received from secured creditors, Heartland Bank and Oxford Finance, which total \$95,355.45. Heartland Bank have repossessed the vehicle it had security over.

The liquidators are aware of a further secured creditor owed approximately \$74,743.

On 29 June 2021 funds were received from the sale of assets and payment was made to the secured creditor, Oxford Finance, of \$36,491, clearing the amount owed to them in full.

5.2 Preferential Creditor

The applicant creditor's costs amount to \$4,787. A distribution has been made to the applicant creditor for their court costs totalling \$4,787, this amounts to 100 cents in the dollar.

There does not appear to have been any NZ employees so no PAYE obligations arose.

GST refunds have been paid to the company,

5.3 Unsecured Creditors

As at the date of preparing this report ten unsecured creditors claim forms have been received totalling \$237,663. We have been advised of two further potential claims which total \$25,380 but formal claims have yet to be received.

In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims unless we are in a position to pay a distribution.

6 LIQUIDATORS' FEES

Liquidators' fees accrued to the date of this report are \$53,656 (excluding GST). The fees are based on 215.1 hours of work undertaken as follows:

Work Category	Hours	\$
Appointment functions	19.6	3,206
Asset realisations	60.2	16,353
Creditors' claims, enquiries, and reports	29.4	6,778
Taxation & management	33.4	6,545
Investigations	72.5	20,774
Total	215.1	\$53,656

Fees paid to date amount to \$37,800. Further fees may be paid when realisations are available. 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 matter is outstanding:

- Further investigation and realisation matters

9 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators have no estimated date of completion of this liquidation.

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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P O Box 6092, Victoria Street West, Auckland 1142



IAIN MCLENNAN
LIQUIDATOR

DATED this 16th day of December 2021

Realisations and Distributions				
CM Contracting Limited (In Liquidation)				
17 December 2019 to 16 December 2021				
				16/12/2021
Realisations				
Debtors				180
Sale of Assets				75,000
Pre Liquidation GST Refund				7,615
Total Realisations				82,795
Payments				
Liquidators Fees				
Liquidators Fees				37,800
Disbursements				209
Total Liquidators Fees				38,008
Other Costs of Liquidation and Trading On				
Sundry Costs				90
Total Costs of Liquidation and Trading On				90
Distributions				
Secured Creditor				36,491
Preferential - Court Costs				4,787
Total Distributions to Unsecured Creditors				41,279
Total Payments				79,377
BALANCE HELD				3,418