



McDonald
Vague

business recovery partners

E&L Construction Group Limited (In Liquidation)

Liquidators' First Report

McDonald Vague Limited

33 Federal Street,
Auckland Central

PO Box 6092, Wellesley Street,
Auckland 1141, New Zealand

p: 09 303 0506

f: 09 303 0508

e: insol@mvp.co.nz

www.mvp.co.nz

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

1 INTRODUCTION AND APPOINTMENT

E&L Construction Group Limited ("the company") was placed into liquidation by a special resolution of the shareholder pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 12 June 2020. Iain McLennan and Keaton 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:	24 April 2006
Company number:	1801346
Date ceased trading:	2019 Year
Nature of business:	Garments Manufacturing and Construction
Trading address:	18 Sea Spray Drive, Buckland Beach, Auckland
Share capital:	100 Share
Shareholder:	Wenshan Li
Director:	Tianhong Li
Related company:	Emma Rose Apparel Group (NZ) Limited

E&L Construction Group Limited (In Liquidation) operated in garments manufacturing for New Zealand local brands and construction.

The liquidators have interviewed the director and were advised that the liquidation of the company was due intense competition from other clothing brands, the company had a significant decrease in gross profit margin. As Coronavirus pandemic brought about the economic downturn, the director decided to close the business. The director advised the company has no assets and no external liabilities, except the Inland Revenue. The business ceased trading prior to the liquidators' appointment.

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

We will 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.

8.1 *Secured Creditors*

There are no secured parties that have registered security interests against the company on the Personal Property Securities Register.

8.2 *Preferential Creditors*

We are unaware of any preferential claims.

8.3 *Unsecured Creditors*

The amount due to unsecured creditors is unknown.

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

11 ESTIMATED DATE OF COMPLETION

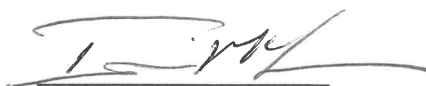
The Liquidators believe the liquidation may be concluded within three months.

12 CONTACT DETAILS

Enquiries should be directed to the writer on DDI (09) 303 9512 or by email to ywei@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



IAIN MCLENNAN
LIQUIDATOR

DATED this 18th day of June 2020

E&L Construction Group Limited (In Liquidation) Statement of Affairs

Statement of Affairs for the above named company as at 12 June 2020 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS	<i>Book Value</i>	<i>Estimated to Realise</i>
Accounts Receivable	NIL	NIL
Bank account balances	NIL	NIL
Total	-	-
 <i>Less preferential creditors</i>		
Inland Revenue Department		Unknown
Total		-
 <i>Estimated deficiency as regards preferential creditors</i>		\$ -
 AVAILABLE FOR UNSECURED CREDITORS		
		-
 LESS UNSECURED CREDITORS		
Trade creditors		NIL
Inland Revenue Department		47,764
<i>Estimated surplus/(deficiency) as regards unsecured creditors</i>		(\$47,764)

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.

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

E&L Construction Group 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
ASB Bank	Professional	The firm has previously acted for ASB Bank or accounted to ASB Bank as a major secured creditor on other appointments

- (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) An upfront fee of \$2,875 (GST incl.) was received from the company's shareholder to cover initial remuneration and expenses associated with the appointment. The funds are held in a Trust account and will be drawn on as work is produced and expenses incurred. There is no condition on the conduct or outcome of the liquidation attached to the provision of these funds.



IAIN MCLENNAN
LIQUIDATOR

DATED this 18th day of June 2020

Appendix 3

**E&L Construction Group 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
Inland Revenue Department	PO BOX 39010	Wellington Mail Centre	Lower Hutt 5045

Appendix 4

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of E&L Construction Group 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 the writer on DDI (09) 303 9512 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.



IAIN MCLENNAN
LIQUIDATOR

DATED this 18th day of June 2020

Appendix 5

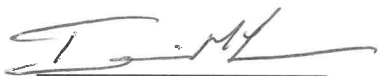
IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of E&L Construction Group Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of E&L Construction Group Limited (In Liquidation) (“the company”), fix Monday, the 20th day of 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.



IAIN MCLENNAN
LIQUIDATOR

DATED this 18th 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

DATE OF LIQUIDATION: 12 June 2020



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: \$ _____