



McDonald
Vague

business recovery partners

Eagil NZ Limited (In Liquidation)

Liquidators' Third Report (for the period from 1 October 2015 to 30 April 2016)

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Jared Waiata Booth and Tony Leonard Maginness, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Eagil NZ Limited ("the company") on 1 May 2015 by the High Court at Auckland. On 18 December 2015 Tony Leonard Maginness resigned his position as liquidators appointing Boris van Delden as his successor. On 18 March 2016 Jared Waiata Booth resigned his position as liquidator appointing Peri Micaela Finnigan as his successor.

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 Intercompany Loan Receivables

(Statement of Affairs: \$unknown)

The company's financial reports for the year ending 31 March 2014 identified intercompany loan receivables of \$821,984. This relates to five separate entities and the transfer of business assets from the company in 2011. The liquidators have reviewed post balance sheet date transactions, and summarise outstanding balances below.

| <u>Related Companies</u> | <u>Current Status</u> | <u>Debt at Liquidation</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------|
| Allstar Holdings NZ Limited The liquidator's 2nd report dated 29 March 2016 advises that he is pursuing a potentially voidable payment to the directors. He was unable, at that stage, to advise if a dividend will be paid in the liquidation. | (In liquidation) – claim filed | \$90,397 |
| Dargaville Tyre Centre Limited The liquidator's 1 st report, dated 4 March 2016, noted that is unlikely that a dividend will be paid in the liquidation. | (In liquidation) – claim filed | \$322,845 |
| Kaitaia Tyre Centre Limited The liquidator's 2 nd report, dated 26 April 2016, noted that he was unable, at the stage, to advise if a dividend will be paid in the liquidation. | (In liquidation) – claim filed | \$99,440 |
| Kawakawa Tyre Centre Limited The liquidator's 1 st report dated 13 April 2016, notes that a dividend to unsecured non preferential creditors is unlikely. | (In liquidation) – claim filed | \$299,979 |
| Life Buoy - Entity cannot be identified | Unknown | \$10,000 |

We were advised that the businesses of Allstar Holdings Limited, Dargaville Tyre Centre Limited and Kawakawa Tyre Centre Limited were all sold prior to the commencement of each of the companies liquidations.

To date we have recovered \$9,519 from unrelated debtors.

3.2 Fixed Assets

(Statement of Affairs: \$unknown)

The Statement of Property Plant and Equipment included in the financial statements for the company for the year ending 31 March 2014 listed fixed assets with a depreciated book value of \$2,668. The director has claimed that the company owned no fixed assets at the date of liquidation. The liquidators consider that it is uneconomic to pursue this matter further.

4 INVESTIGATIONS

The liquidators' investigations into the books, records and affairs of the company have been completed. The failure of the director to respond to queries and provide information in a timely manner hindered this process. No matters were identified that could be pursued for the benefit of creditors.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

Secured claims totalling \$172,223 have been received from Westpac New Zealand Limited (\$142,678) in respect of a General Security Agreement, and Bridgestone New Zealand Limited (\$29,545), in respect of a Purchase Money Security Interest in goods supplied. No distribution has been paid by the liquidators to this class of creditor at the date of this report.

5.2 *Preferential Creditors*

A preferential claim totalling \$4,072 has been received from the applicant creditor in relation to Court costs awarded to them when they successfully applied for the company to be placed into liquidation. No distribution has been paid by the liquidators to this class of creditor at the date of this report.

5.3 *Unsecured Creditors*

At the date of preparing this report two unsecured creditors claim forms have been received totalling \$38,040. 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 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

There will be a short fall on the amount due to the General Security Agreement holder. Therefore, 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:

- The liquidation of the related companies.

9 ESTIMATED DATE OF COMPLETION

We are unable to estimate when the liquidation will be completed as it is dependent on the completion of the liquidation of the related companies or the confirmation from the liquidator of those entities that no dividend will be paid to unsecured creditors.

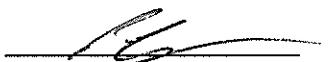
10 CONTACT DETAILS

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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PERI M FINNIGAN
LIQUIDATOR

DATED this 2nd day of May 2016

Realisations and Distributions

Eagil NZ Limited (In Liquidation) 1 May 2015 to 30 April 2016

| | Cash Received \$ |
|---------------------------|------------------------|
| Realisations | |
| Debtors recovered | 9,519 |
| Interest | 16 |
| Total Realisations | \$9,535 |
| Payments | |
| Liquidators' fees | 8,495 |
| Disbursements | 789 |
| Resident Withholding Tax | 4 |
| Total Payments | \$9,288 |
| Balance Held | \$247 |

Note: the above figures are GST exclusive