



McDonald
Vague

business recovery partners

**EX-ZNHE Limited
(In Receivership & In Liquidation)
(formerly known as eHome NZ Limited
(In Receivership & In Liquidation)
until 23 June 2015)**

Receivers' Fourth Report

McDonald Vague Limited
Level 10, 52 Swanson 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

1 INTRODUCTION AND APPOINTMENT

Tony Leonard Maginness and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers and managers of the property of eHome NZ Limited, which property consists of all present and after acquired personal property of the Company, the meaning ascribed to that term in the General Security Agreement on 5 February 2015. The receivers and managers were appointed under the powers contained within a General Security Agreement dated 11 February 2013 in favour of CJM eHome Limited.

The company was placed into liquidation on 17 April 2015 by special resolution of the shareholders. Stephen Rex Tietjens, insolvency practitioner of Auckland, was appointed as liquidator.

The company changed its name on 23 June 2015 following sale of assets. The purchaser has taken over the name "eHome".

Pursuant to section 24 of the Receiverships Act 1993 ("the Act"), the receivers report herewith on the progress of the receivership for the period from appointment to 4 August 2016. This fourth report should be read in conjunction with the receivers' previous report.

A statement of Realisations and Distributions is **attached**.

2 RESTRICTIONS

This report has been prepared in accordance with Section 24 of the Act. 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 RECEIVERSHIP DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 *Work In Progress*

In the Receivers' second report it was advised that minor work was still to be completed on one site. This work has been completed.

3.2 *Trading On Receipts*

The final works have been completed and funds received. The funds received were lower than anticipated because of a dispute with the client which was settled by negotiation.

4 PROPOSALS FOR FURTHER DISPOSAL OF RECEIVERSHIP PROPERTY

All receivership property has been disposed of. There are still funds to be received

5 CREDITORS' CLAIMS

5.1 *GSA Holders*

There were three registered general securities at the date of this report. The amounts due to our appointer were as follows:

	\$
Amount owing at the commencement of receivership being 5 February 2015	6,623,321
Advances to receivers during receivership to fund trading	1,346,422
Interest for period 6 February 2015	34,248
	<hr/>
Sub Total	8,003,991
Less: Distributions made	834,000
Balance outstanding at 4 August 2015	<u><u>\$7,169,991</u></u>

Note: Further advances were made direct for disbursements incurred during the receivership which are not reported here.

There are two further general security agreement holders

- ANZ Bank New Zealand Limited have a secured claim of \$4,542,389. This is subject to personal guarantees from the directors.
- Ngatotara Trust have a secured claim of \$1,654,469.

5.2 *Other Secured Creditors*

We have received 19 further secured claims totalling \$1,973,359. Many of these relate to stock supplies. Certain of these creditors recovered stocks or traced into proceeds.

Payments totalling \$120,411 have been made to five secured creditors holding Purchase Money Security Interests in stock. The receivers undertook an extensive tracing exercise for each specific security holder and identified entitlements. There were certain specific security holders that made nil recovery. This was largely because the funds could not be traced into proceeds, the landlord did not place any value on the items, or there was nil stocks on site at date of appointment.

5.3 Preferential Creditors

At the commencement of the receivership, the following amounts were owed to preferential creditors.

	\$
Employees Claims – Wages, Holiday Pay and Redundancy	399,254
Inland Revenue – GST & PAYE	138,325
Total	<u>\$537,579</u>

At the date of this report, payments of \$133,850 have been made to the preferential employees. The payment to employees was from the realisations gained from unencumbered stock sales.

No distribution has yet been paid towards the preferential Inland Revenue Department claim totalling \$138,325.

5.4 Unsecured Creditors

As at the date of preparing this report, 227 unsecured creditors claim forms have been received which total \$3,711,579. No distribution has been paid.

The Receivers are not responsible for the administration of unsecured creditors' claims, however, it appears unlikely that there will be surplus funds available for unsecured creditors. There is a significant shortfall to the secured and preferential creditors.

6 MATTERS DELAYING THE COMPLETION OF THE RECEIVERSHIP

The following matters are outstanding:

- Resolution of warranty claims and guarantees
- Receipt of payments
- Collection of the retentions
- Completion of Code Compliance issues

7 ESTIMATED DATE OF COMPLETION

The Receivers believe the receivership may be concluded within three months. The liquidator will review other potential recoveries for creditors.

8 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on (07) 838 0908 or by email to CSanderson@mvp.co.nz.

The Receivers can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141


PERI M FINNIGAN
RECEIVER

DATED this 10th day of August 2016

Realisations and Distributions

EX-ZNHE Limited (In Receivership & In Liquidation) 5 February 2015 to 4 August 2016

Realisations	Cash Received \$
Advance from Secured Creditor	1,356,172
Trading on Receipts	4,244,014
Sale Plant & Equipment	1,339,497
Sale of Inventory	143,750
Sundry Receipts	102,952
Pre-Receivership GST Refund	224,942
GST Refunds	112,386
Total Realisations	\$7,523,713
Payments	
Receivers Fees	
Receivers Fees	584,857
Disbursements (refer note 2)	79,310
Total Receivers Fees	\$664,167
Other Costs of Receivership and Trading On	
Trading Expenses	4,099,316
Wages and Salaries	1,343,185
GST Paid	322,705
Total Costs of Receivership and Trading On	5,765,206
Distributions	
Secured Creditor	834,000
Purchase Money Security Interest Holders	120,411
Preferential Wages and Holiday Pay (refer note 3)	133,850
Total Distributions to Secured and Preferential Creditors	\$1,088,261
Total Payments	\$7,517,634
BALANCE HELD	\$6,079

Note 1: The above figures are GST inclusive.

Note 2: The appointer paid one of the receivers' legal fees of \$49,897 directly, which is not included in the numbers above.