



McDonald
Vague

business recovery partners

**EXFC16 Limited (In Liquidation)
(formerly known as Federation Clothing Limited)
Traded as Federation**

**Liquidators' Second Report
(for the period from 10 February 2016
to 9 August 2016)**

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators EXFC16 Limited ("the company") on 10 February 2016.

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 Pre- Liquidation Debtors **(Statement of Affairs: Unknown)**

To date the liquidators have collected \$65,305 from pre liquidation debtors. There remains debtors outstanding of \$21,168 that have been referred to debt collections.

3.2 Bank Account Closure **(Statement of Affairs: \$2,774)**

The liquidators received \$1,876 on closure of the company bank account.

3.3 Sale of Stock **(Statement of Affairs: \$Unknown)**

The liquidators traded on the business from 10 February 2016 to 31 March 2016 at which time the business was taken over by the new purchaser. The liquidators recovered \$142,244 from the sale of stock online and wholesale.

3.4 Goodwill and Intellectual Property *(Statement of Affairs: \$Unknown)*

The liquidators received \$288,000 for the company's Goodwill and Intellectual Property.

3.5 Management Fees

The sum of \$17,331 has been recovered for management fees to EXLC16 Limited (In Liquidation).

3.6 Bank Interest

The liquidators have received \$616 in relation to bank interest.

3.7 GST Refund

The liquidators have received \$139,183 from a GST Refund.

3.8 Sale of Fixed Assets

The liquidators sold the fixed assets of the company for the sum of 153,548.

4 INVESTIGATIONS

The liquidators have commenced their investigations into the books, records and affairs of the company. As a result of the investigation the following matters arose:

There is a prosecution before the Auckland High Court by New Zealand Customs Service against the company. This matter is ongoing.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim remains outstanding to ASB Bank under their General Security Agreement. As at the date of this report the liquidators have paid a distribution to the secured creditor of \$524,725 from the company. The amount outstanding under their claim is approximately \$587,000. This debt is jointly owed to the ASB by the company and EXPG16 Limited (In Liquidation)

The BMW X5 owned by the company has been returned to the Secured Creditor BMW Financial Services in accordance with their charging document for them to deal with.

5.2 Preferential Creditors

A preferential claim has been received from the employees amounting to \$2,841. A distribution has been made to the employees for their preferential claim of \$2,841.

A preferential claim has been received from the Inland Revenue Department for the amount of \$12,061. No dividend has been paid to the Inland Revenue Department under their preferential claim as at the date of this report.

A preferential claim has been received from the New Zealand Customs Service for the amount of \$163,159. No dividend has been paid to the New Zealand Customs Service under their preferential claim as at the date of this report.

5.3 Unsecured Creditors

At the date of preparing this report, 38 unsecured creditor claim forms have been received totalling \$360,877. 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 FUNDS / LIKELY OUTCOME

It is too early to determine whether or not there will be a distribution to unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Resolving the New Zealand Customs Service prosecution of the company

8 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.

9 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on DDI (09) 969 1518 or by email to kpronk@mvp.co.nz.

The Liquidators can be contacted at:

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BORIS VAN DELDEN
LIQUIDATOR

DATED this 12 day of August 2016

BVD/KP/gck/220
Federation Clothing/Reports/4101 Second Report

Realisations and Distributions

EXFC16 Limited (In Liquidation)
(formerly known as Federation Clothing Limited)
10 February 2016 to 9 August 2016

Realisations	As per Statement Of Affairs \$	Cash Received \$
Bank Account Closure	2,774	1,876
Pre-Liquidation Debtors	Unknown	64,178
Management Fees	-	17,331
Sale of Stock	-	142,244
Interest	-	616
Sale of Fixed Assets	Unknown	153,548
Goodwill and Intellectual Property	Unknown	288,000
Pre-liquidation GST Refund	-	139,183
Total Realisations	\$2,774	\$806,976
 Payments		
Liquidators Fees		
Liquidators Fees		85,747
Disbursements		3,032
Total Liquidators Fees		\$88,779
 Other Costs of Liquidation and Trading On		
Auctioneer Commission Fees		629
Accident Compensation Corporation		101
Legal Fees		10,053
Insurance		585
Salvage Payments		11,388
Wages and PAYE		51,598
Contractors		18,099
Rent		9,050
Trading On Suppliers		11,894
Residents Withholding Tax		173
Total Costs of Liquidation and Trading On		\$113,569
 Distributions		
Secured Creditor		524,725
Preferential Wages and Holiday Pay		2,841
Total Distributions to Creditors		\$527,566

Total Payments	\$729,914
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BALANCE HELD	\$77,062
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Note: the above figures are GST exclusive