



The Insolvency & Business Recovery Specialists

Global Textiles Limited (In Liquidation)

Liquidators' First Report

1 INTRODUCTION AND APPOINTMENT

Global Textiles Limited (“the company”) was placed into liquidation by a special resolution of the shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 (“the Act”) on 13 March 2015. Boris van Delden and Peri Micaela Finnigan, 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, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs setting out the company’s estimated financial position
- Appendix 2: Schedule of company creditors’ names and addresses
- Appendix 3: Notice of Liquidators’ decision to dispense with meeting of creditors
- Appendix 4: Notice to creditors to prove debts or claims
- Appendix 5: Creditors claim form

McDONALD VAGUE LIMITED

Level 10, 52 Swanson Street, Auckland CBD

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.

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Member of Insol International. Consultants to the Accounting and Legal Professions.

4 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	22 January 1996	
Company number:	711435	
Nature of business:	Distribution and Manufacture of Textiles	
Trading address:	23 Gordon Road, Kingsland, Auckland	
Share capital:	100 Shares	
Shareholders:	Donna Lorraine Meadowcroft	} 98 shares
	Peter Sims Meadowcroft	
	Fortune Manning Trustee Limited	
	Donna Lorraine Meadowcroft	1 share
	Peter Sims Meadowcroft	1 share
Director:	Peter Sims Meadowcroft	
Related companies:	None	

Global Textiles Limited operated as a distributor of textiles, and a manufacturer and seller of garments for its own in-house brand "Sissy".

Peter Meadowcroft, a director of the company, has advised that in his experience the clothing industry in the Australasia market has been in a retraction for some time due to a number of factors that were outside the company's control. The market conditions in turn have affected the company's ability to sell through the necessary stock, compounded by the financial ramification of a number of customers who were unable to fulfil their financial commitments.

The liquidators are continuing to trade the business, with a reduced workforce, to finalise the collection of outstanding debtors and sell the business as a going concern or alternatively the assets of the business.

5 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.

6 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will realise all available assets. If any creditor is interested or knows of any other party who may be interested in purchasing any of the assets, please advise us urgently.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties, and take appropriate steps where necessary.

If there are funds available for distribution to creditors we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

7 LIABILITIES AND CREDITOR CLAIMS

7.1 Secured Creditors

As at the date of liquidation five secured parties had registered security interests against the company on the Personal Property Securities Register.

Westpac New Zealand Limited hold a first ranking General Security Agreement over the assets of the company. It is understood that the full quantum of their claim is in excess of \$1,100,000, they have yet to file a claim in the liquidation.

The director has advised that there is also a second ranking unregistered General Security Agreement. It is understood that the full quantum of their claim is \$200,000.

The Personal Property Securities Register shows that there are two Purchase Money Security Interests registered against assets of the company.

Personal Property Securities Act / Reservation of Title

Should any creditor believe that they are entitled to any goods, or proceeds from realisation of goods, due to holding a Purchase Money Security Interest, they should contact us immediately.

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

7.2 Preferential Creditors

We estimate that there is approximately \$13,000 owing to former employees for wages, holiday pay and redundancy pay.

The Inland Revenue Department has not yet provided us with a creditor's claim form.

7.3 Unsecured Creditors

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$280,000. A schedule of known creditors and their addresses is provided at Appendix 2, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is included at Appendix 4. Also enclosed is a creditor's claim form for completion and return to this office by 30 April 2015. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor please contact us and the appropriate form will be sent to you.

8 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 3.

Pursuant to Section 314 of the Companies Act 1993, creditors are advised that at any time in the course of the liquidation the Liquidator shall, at the request in writing of any creditor or shareholder, call a meeting for the purpose of appointing a liquidation committee.

9 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 the Liquidators are more able to act on written information.

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 the attached creditor claim form. This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz

10 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the liquidation.

11 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:

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141



BORIS VAN DELDEN
LIQUIDATOR

DATED this 20th day of March 2015

Global Textiles Limited (In Liquidation) Statement of Affairs

Statement of Affairs for the above named company as at 13 March 2014 (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>
Debtors	652,227	500,000
Bank account balances	60,463	60,463
Inventory	638,751	100,000
Total	1,351,441	660,463
<i>Less preferential creditors</i>		
Employees		13,000
Inland Revenue Department		unknown
Total		13,000
<i>Estimated surplus as regards preferential creditors</i>		\$647,463
ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S	<i>Book Value</i>	<i>Estimated to Realise</i>
Estimated surplus as regards preferential creditors		647,463
Intellectual Property	20,000	20,000
Furniture and Equipment	7,342	-
Fittings	14,360	-
Plant and Equipment	6,307	-
Motor Vehicles	46,049	55,259
Total	94,058	722,722
LESS GENERAL SECURITY AGREEMENT HOLDER/S		
First ranking GSA Holder - Westpac NZ Limited		1,100,000
Second ranking GSA Holder		200,000
Total		1,300,000
<i>Estimated deficiency as regards General Security Agreement holders</i>		(\$577,278)
AVAILABLE FOR UNSECURED CREDITORS		-
LESS UNSECURED CREDITORS		
Estimated deficiency as regards General Security Agreement holders		577,278
Trade creditors		280,000
Estimated surplus/(deficiency) as regards unsecured creditors		(\$857,278)

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.

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.

Global Textiles 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
Accident Compensation Corporation	P O Box 3248	WELLINGTON 6140	
Alan Murray Spooner	9a Evelyn Place	Hillcrest	AUCKLAND
Alsco NZ Limited	P O Box 8860	Symonds Street	AUCKLAND 1150
Armourguard Security Limited	P O Box 92 174	AUCKLAND	
Art Associates Limited	37 Scanlan Street	Grey Lynn	AUCKLAND 1021
Avalanche Services	Base 2171, Great North Road	Avondale	AUCKLAND
Carreman	234 Avenue	Georges Alquier	81100 Castres, FRANCE
Charlotte Marshall	2 / 67 Dignan Street	Pt Chevalier	AUCKLAND
DC Agencies Limited	P O Box 1666	CHRISTCHURCH 8140	
Designer Textiles (Prato)	P O Box 61 016	Otara	AUCKLAND
Designer Textiles International Limited	P O Box 61 016	OTARA	
DHL Express	P O Box 13 509	ONEHUNGA 1061	
DHL Global Forwarding Limited	P O Box 73 107	AUCKLAND 2150	
Di-Ann McCreanor	47 Sunderlands Road	Half Moon Bay	AUCKLAND
Direct Payment Solution	P O Box 8400	Symonds Street	AUCKLAND 1150
Donna Lorraine Meadowcroft	26 Clifton Road	Herne Bay	AUCKLAND 1011
EC Attwood Limited	P O Box 204 207	Highbrook	MANUKAU 2161
Elgas	P O Box 22 285	CHRISTCHURCH	
Everton Co Limited			
Express Couriers Limited	P O Box 38 817	Wellington Mail Centre	LOWER HUTT 5045
Federal Express	P O Box 409	Shortland Street	AUCKLAND
Fortune Manning	P O Box 4139	AUCKLAND 1140	
Fortune Manning Trustee Limited	P O Box 4139	AUCKLAND 1140	
Four Acres	P O Box 56 098	Dominion Road, Mt Eden	AUCKLAND
Fuji Xerox Finance Limited	P O Box 5948	Wellesley Street	AUCKLAND

Appendix 2



Hitech Solutions	3/55 Barrys Point Road	Takapuna	AUCKLAND
Hortsoft Limited	20 Riverhaven Drive	Stanmore Bay	WHANGAPARAOA
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
JJ Richards & Sons (NZ) Limited	P O Box 76 647	MANUKAU 2241	
Just Water	Private Bag 92 811	Penrose	AUCKLAND
JW Fire Equipment Services Limited	P O Box 48 202	Blockhouse Bay	AUCKLAND
KHM Textiles Limited			
Mercury	Private Bag 92 008	AUCKLAND	
Mondiale Freight Services Limited	P O Box 53 004	Auckland Airport	MANUKAU
Musum Corporation			
Natasha Kimoura	22 Lynwood Road	New Lynn	AUCKLAND 0600
Nutex Wholesalers Limited	25-29 Gordon Road	Morningside	AUCKLAND
NZ Customs Service			
Office Max	Private Bag 92 831	Penrose	AUCKLAND
One Net	P O Box 12 187	Penrose	AUCKLAND
Operaside			
Peter Sims Meadowcroft	26 Clifton Road	Herne Bay	AUCKLAND 1011
Reclaim Limited	P O Box 12 187	Penrose	AUCKLAND
Shanghai Silk			
Shaoxing Golden Tree Silk Printing and Dyeing Co Limited			
Shaoxing Huizhong Textile			
Sharp Corporation of NZ Limited	P O Box 12 244	Penrose	AUCKLAND
Smiling International Limited			
State Business Insurance	P O Box 3233	WELLINGTON 6140	
Sticky Business	55c Druces Road	MANUKAU	
Streamline Freight	P O Box 14 495	Panmure	AUCKLAND 1741
SweetSpot Group Limited	DX Box CX10359	AUCKLAND	
Theodori Knitwear			
Top Tex			
Vodafone NZ Limited	Freepost 108449		
Warehouse Stationery Limited	P O Box 9429	Newmarket	AUCKLAND

Appendix 2

MCDONALD VAGUE

Watercare Service Limited
Westpac NZ Limited
Will Way International Company
Zhejiang New Fine Industry Co Limited

Private Bag 94 010
16 Takutai Square

AUCKLAND 2241
AUCKLAND

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Global Textiles Limited (In Liquidation) and the likely result of the liquidation, it is proposed to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

We do not, however, wish to preclude creditors from expressing their views. Please contact Keaton Pronk of this office on DDI (09) 969 1518 if you have any specific enquiries.

You are advised that should you desire a creditor's meeting, notice in writing is required within 10 working days of receiving this notice.

At the time of giving notice you must also state the reason you require a meeting so that an agenda can be prepared and advertised and creditors can be given the opportunity to vote on any issue by voting letter.



BORIS VAN DELDEN
LIQUIDATOR

DATED this 20th day of March 2015


IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Global Textiles Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of Global Textiles Limited (In Liquidation) ("the company"), does hereby fix the 30th of April 2015, as the day on or before which the company's creditors are to make their claims, and to 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.



BORIS VAN DELDEN
LIQUIDATOR

DATED this 25 day of March 2015

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

PO Box 6092
Wellesley Street
AUCKLAND 1141

Telephone: (09) 303 0506
Facsimile: (09) 303 0508
Website: www.mvp.co.nz

DATE OF LIQUIDATION: 13 March 2015



The Insolvency & Business Recovery Specialists

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Unsecured Creditors Claim

(Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993
(For help see www.mvp.co.nz or email claims@mvp.co.nz)

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL

Telephone Numbers: ()

()

E-Mail

My Reference is:
(if applicable)

* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.

The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.

Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must –
(a) Contain full particulars of the claim; and
(b) Identify any documents that evidence or substantiate the claim.

You may have access to and request correction of any personal information.

(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION:

(IN LIQUIDATION)

I _____

(If claim is made on behalf of creditor, specify relationship to creditor and authority)

claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM:

1. I am an unsecured creditor for
(Also applicable to secured creditors who hereby surrender their security)

\$

2. I am a preferential creditor for
(Refer details on reverse)

\$

3. My total claim is for
(State currency if other than \$NZ)

Other
Currency

NZ \$

4. I have claimed retention/reservation of title rights pursuant to rights held by me

Tick if Applicable

Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you. (Refer details on reverse)

Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.

(The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required to attach any supporting documents** at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED:

Date: / /

WARNING —

It is an offence under Section 304(6) of the Companies Act 1993 to –
Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or
Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received
(Date Stamp)

RESERVED FOR OFFICE USE:

Claim admitted/rejected
for voting purposes:
(Delete one)

Signed:

Date: / /

Preferential Claim for:

Ordinary Claim for:

CLAIM REJECTED
FOR PAYMENT:

\$

\$

or
CLAIM ADMITTED
FOR PAYMENT:

Preferential Claim for:

Ordinary Claim for:

\$

\$

Signed
Liquidator:

Date: / /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.



The Insolvency & Business Recovery Specialists



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Telephone 0-9-303 0506, Facsimile 0-9-303 0508

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 \$20,340 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: \$ _____