



McDonald  
Vague

business recovery partners

## Height-Worx Limited (In Liquidation)

# Liquidators' Third Report to creditors and shareholders (for the period 12 October 2018 to 17 May 2019)

McDonald Vague Limited

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### 1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Height Worx Limited ("the company") on 12 April 2018 by the High Court at Auckland.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators report on the progress of the liquidation. The third report should be read in conjunction with the liquidators' previous reports. This report is being sent to shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is **attached**, covering the period to 17 May 2019, as significant events have occurred between 11 April and 17 May.

### 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

The company was placed in liquidation due to a relatively small debt overlooked by the director. The shareholder stated his desire to have the company taken out of liquidation. The liquidators considered the proposal based on an assessment of assets values based on recent sales, confirmation of liabilities, trading forecasts, savings to be made, and other information provided by creditors and the director.

The shareholder introduced funds which enabled the payment of, all preferential claims, finance instalments in arrears, liquidation expenses and other costs, as well as an interim distribution of 30 cents in the dollar to unsecured creditors.

At the time of writing this report, the accepted unsecured pre-liquidation creditor claims have now been paid 100 cents in the dollar through further funds advanced by the shareholder. The shareholder has also paid off certain hire purchase debt on equipment, in order to improve the company's cash flow.

The shareholder now intends to apply take the company out of liquidation, pursuant to Section 250 of the Act.

In the meantime the liquidators continue to administer the company and control all funds. Trading-on creditors, and secured lenders whose contracts have remained in place, will continue to be paid out of trading on income and asset sales.

#### **4 INVESTIGATIONS**

Due to the 100% payment of creditors to date, there is no reason to pursue other avenues of recovery.

#### **5 CREDITORS' CLAIMS**

##### **5.1 Secured Creditors**

\$715,771 has been paid to secured lenders to date.

##### **5.2 Preferential Creditors**

A preferential claim in respect of the applicant creditor's costs of \$3,949 has been paid in full.

The Inland Revenue Department has been paid \$82,358 being 100% of its preferential claims in the liquidation.

##### **5.3 Unsecured Creditors**

The liquidators received pre-liquidation claims amounting to \$141,932.72. This amount includes the non-preferential portion of the IRD's claim, and agreed settlement of disputed debts. At the date of this report all unsecured claims have been paid 100 cents in the dollar.

##### **5.4 Trading on Creditors**

At the date of this report, trading on obligations amount to \$17,581, whilst trading on accounts receivable amounts to \$34,067. Both amounts fluctuate on a daily basis, with trading on receipts being expected to cover any trading on obligations.

## 6 LIQUIDATORS' FEES

The liquidators have taken fees of \$122,738 (excluding GST). Fees unbilled amount to \$63,361. The total fees to date comprise 977 hours of work, as follows:

<b>Work Category</b>	<b>Hours</b>	<b>\$</b>
Statutory required notice and reports	10.2	1,765
Disbursements	9.8	795
Appointment functions	44	8,185
Financial Accounting	125	11,739
Asset realisations and trading management	556	71,434
Creditors' proposal, correspondence and attendances, claims and reporting	145	20,605
Taxation	53	11,739
Investigations and legal	39	3,860
<b>Total</b>	<b>977</b>	<b>\$122,738</b>

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.

The liquidators do not intend to recover all unbilled fees, having agreed on a conditional settlement to enable the company to be taken out of liquidation.

## 7 FUNDS / LIKELY OUTCOME

Having paid in full, all creditors of the company at the date of the commencement of liquidation, the shareholder intends to make application to take the company out of liquidation and take over the responsibility of the trading on creditors. The liquidators will continue to administer the company in liquidation until released by the Court. The liquidators will have no personal liability on any debt after the company is restored and the liquidation is terminated.

## 8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Further trading on management, including asset sales, collection of trading on receipts, and payment of trading on suppliers and secured lenders.
- Application to take the company out of liquidation.

## 9 ESTIMATED DATE OF COMPLETION

The liquidators estimate the liquidation will be completed within the next two months.

## 10 CONTACT DETAILS

Enquiries should be directed to Dalwyn Whisken on DDI (09) 969 5336 by email to [dwhisken@mvp.co.nz](mailto:dwhisken@mvp.co.nz).

The Liquidators can be contacted at:

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PERT M FINNIGAN  
LIQUIDATOR

DATED this 27 day of May 2019

# Realisations and Distributions

## Height-Worx Limited (In Liquidation) 12 April 2018 to 11 April 2019 and to 17 May 2019

<b>Realisations</b>	<b>17 May 2019</b>
Shareholder advances	773,649
Bank account closure	4,735
Pre-liquidation debtors recovered	89,422
Trading on debtors	791,849
Insurance refund	5,365
Interest	247
Sale of Assets	18,174
Net GST	-
<b>Total Realisations</b>	<b>\$1,683,441</b>
<b>Payments</b>	
<b>Liquidators Fees</b>	
Liquidators Fees	122,671
Disbursements	748
<b>Total Liquidators Fees</b>	<b>\$123,419</b>
<b>Costs of Realisation and Trading On</b>	
Trading on expenses	67,450
Auction commission	2,438
Resident Withholding Tax on Interest	69
Wages and PAYE	324,937
Rent and outgoings	152,730
Insurance	44,458
<b>Total Costs of Realisation and Trading On</b>	<b>\$592,082</b>
<b>Distributions</b>	
Secured Creditor - MTF	121,405
Secured Creditor - Heartland	516,779
Secured Creditor - CrediFlex	12,631
Secured Creditor - UDC	3,728
Secured Creditor - L & F Limited	48,324
Secured Creditor - FlexiGroup	6,792
Secured Creditor - EFT	6,111
Preferential Distribution - Applicant Creditor	3,949
Preferential Distribution - GST and PAYE	82,358
Salvage rent	10,455
Dividends to Unsecured Creditors	141,933
<b>Total Distributions to Creditors</b>	<b>\$954,465</b>
<b>Total Payments</b>	<b>\$1,669,966</b>
<b>BALANCE HELD</b>	<b>\$13,475</b>

Note: the above figures are GST exclusive