



McDonald
Vague

business recovery partners

Installers Group Limited (In Liquidation)

Liquidators' Seventh Report (for the period from 11 May 2016 to 10 November 2016)

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Installers Group Limited ("the company") on 11 November 2013.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This seventh report should be read in conjunction with the liquidators' previous reports. 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

This report has been prepared in accordance with section 255(2)(d) 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 LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Surplus from Factored Debtors **(Statement of Affairs: \$113,171)**

The liquidators have recovered \$62,238 (incl GST). The remaining ledger available to the liquidators has since been written off as bad debts. These were disputed retentions.

The lack of recovery is a direct reflection of the lack of support from the former director in providing documentation. The business records were poor and a lot of information was the knowledge of the director and not documented. Lack of invoice evidence of work completed added complication to recovery of debtors.

3.2 Accounts Receivable – Not Factored **(Statement of Affairs: \$17,243)**

The liquidators pursued four debtors that were not factored at the date of liquidation. One debtor was in receivership and the amount of \$12,954 was written off as uncollectable. Two debtors paid, and an amount of \$3,489 was recovered from the non factored debtors.

3.3 Sale of Business and Assets **(Statement of Affairs: \$30,845)**

The liquidators sold the business assets to Installers Limited. The sale included 12 vehicles.

The liquidators also sold stocks, plant and equipment, and goodwill. The total sale price, including vehicles, was \$135,141 prior to payment in full, the assets were on sold to Install Management Limited, who took over the obligation to pay the balance due. A full and final settlement was reached with Install Management Limited to prompt early payment.

4 INVESTIGATIONS

There are no matters that will lead to further recovery for creditors.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

- i S H Lock were owed \$442,253 at the date of liquidation and continued to collect the debtors ledger until paid in full (plus interest and collection costs). They are now fully paid.
- ii Dorchester Finance negotiated with the purchaser and was paid in full for the sum owing. They were owed \$14,730 at liquidation which was secured over six contracts. There was \$Nil equity in the vehicles. A full analysis was undertaken on each vehicle value. There was no overall surplus.
- iii Alphera (BMW Finance) were owed \$6,830 at date of liquidation on a Toyota Hiace.
- iv Marac were owed \$22,042 at liquidation on a Toyota Hiace.
- v UDC Finance were owed \$22,123 at liquidation on a Toyota Hiace.

Each secured party was contacted by the purchaser who arranged an assignment or payment to enable the sale to proceed. The liquidators recovered the equity in each vehicle. This was factored into the sale price.

5.2 Preferential Creditors

The liquidators paid \$3,532 to Inland Revenue Department for applicant creditor Court awarded costs.

Staples Rodway submitted a preferential claim in the liquidation for unpaid fees due for the period that they acted as Compromise Managers for the company. The amount due is \$31,467. The liquidators have paid \$17,000 toward these fees but have queried the preferential status of the further balance claimed.

A proportion of the preferential entitlement due to the employees for holiday pay accrued was taken over by the purchaser of the business assets to honour under the sale agreement.

At date of liquidation salaried employees were owed \$40,079 in holiday pay. The purchaser took over this obligation. The purchaser advised all obligations were paid in full by Installers Limited.

The Inland Revenue Department submitted a preferential claim for \$454,940. At date of this report, no distribution has been paid. A distribution to the Commissioner is pending.

5.3 Unsecured Creditors

As at the date of preparing this report 17 unsecured creditors claim forms have been received which total \$547,610. There is no likelihood of a distribution to unsecured creditors.

6 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the preferential creditors. The liquidator does not anticipate paying a distribution to unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Payments to preferential creditors
- Completion of liquidation

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 six months.

9 CONTACT DETAILS

Enquiries should be directed to the writer on DDI (09) 303 9519 or by email to pfinnigan@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 30th day of November 2016

PMF/gck/220
Installers Group/Reports/4101 Seventh Report

Realisations and Distributions

Installers Group Limited (In Liquidation) 11 November 2013 to 10 November 2016

Realisations	Cash Received \$
Bank Account Closure	10
Debtors	54,120
Interest	991
Sale of Business	135,903
Sale of Motor Vehicles	1,217
Total Realisations	\$192,241
Payments	
Liquidators Fees	
Liquidators Fees	65,254
Disbursements	1,512
Total Liquidators Fees	\$66,766
Other Costs of Liquidation	
Bank Fees	180
Commissions	8,562
Debt Collection Costs	1,545
Motor Vehicle Expenses	550
Residents Withholding Tax	277
Total Costs of Liquidation	\$11,114
Distributions	
Secured Creditor	14,730
Preferential Creditors – Court Awarded Costs	3,532
Preferential – Compromise Management Fees	17,000
Preferential – Wages and Holiday Pay	49,902
Total Distributions to Secured and Preferential Creditors	\$85,164
Total Payments	\$163,044
BALANCE HELD	\$29,197

Note: the above figures are GST exclusive