



McDonald
Vague

business recovery partners

Kauai Enterprises (1997) Limited (In Liquidation)

Liquidators' Second Report (for the period from 23 June 2017 to 22 December 2017)

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of Kauai Enterprises (1997) Limited ("the company") on 23 June 2017.

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 Bank Account

(Statement of Affairs: \$60)

The liquidators recovered \$11,588 on closure of the company bank account.

3.2 Insurance Claim

The sum of \$5,630 was recovered from an insurance claim made by the liquidators on behalf of a 3rd party that had an ATM machine in the company's premises. The funds recovered were distributed to the 3rd party less an agreed deduction for the liquidators' costs incurred in making the claim.

3.3 Sale of Business

The company's business was sold for \$350,000 to two related entities. The value attributed to the business was based on an independent valuation provided by a registered business valuer and broker. Funds from the sale of the business were paid to the secured creditors.

3.5 Inventory

(Statement of Affairs: \$700)

Inventory was included in the sale of business.

4 INVESTIGATIONS

The liquidators are continuing their investigations into the books, records and affairs of the company.

An overdrawn shareholder's current account was identified in the name of Alan Johnson. Payment has been received from Mr Johnson of \$11,500 towards the settlement of that debt.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

Two secured claims were received in respect to General Security Agreements.

Leonora Faye Johnson	\$134,759 – Payment of \$134,533 has been made.
The Trustees of the Key Trust	\$230,000 – Payment of \$215,467 has been made.

Interest continues to accrue on the remaining amount.

5.2 Preferential Creditors

The Inland Revenue Department submitted a preferential claim of \$3,459. No dividend has been paid to the Inland Revenue Department at the date of this report.

5.3 Unsecured Creditors

As at the date of preparing this report two unsecured creditors claim forms have been received which total \$4,388. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims unless we are in a position to pay a distribution.

We are aware of a potential claim from Watercare Services Limited of \$111,366 however, to date, no formal claim has been received.

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 matter is outstanding:

- Completion of the investigation of the books records and affairs 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 six months.

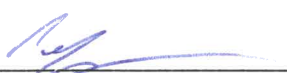
9 CONTACT DETAILS

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

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 17th day of January 2018

Realisations and Distributions

Kauai Enterprises (1997) Limited (In Liquidation) 23 June 2017 to 22 December 2017

Realisations	As Per Statement of Affairs \$	Cash Received \$
Bank Account Closure	60	11,588
Insurance Claim	-	5,630
Current account recovery	-	11,500
Interest	-	1
Sale of Business and Inventory	700	350,000
Total Realisations	\$760	\$378,719
Payments		
Liquidators Fees		
Liquidators Fees		17,536
Disbursements		380
Total Liquidators Fees		\$17,916
Other Costs of Liquidation		
Payment of Insurance Claim		4,456
Total Costs of Liquidation		\$4,456
Distributions		
First Ranking Secured Creditor		134,533
Second ranking secured creditor		215,467
Total Distributions to Secured Creditors		\$350,000
Total Payments		\$372,372
BALANCE HELD		\$6,347

Note: the above figures are GST exclusive