



McDonald
Vague

business recovery partners

Kyodo Properties Limited (In Liquidation)

Liquidators' Third Report

For the period from 16 May 2019 to 15 November 2019

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Iain McLennan and Colin Roger Sanderson, Accredited Insolvency Practitioners, of Auckland and Hamilton, were appointed joint and several liquidators of Kyodo Properties Limited ("the company") on 16 November 2018 by the High Court at Auckland.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), we are reporting on the progress of the liquidation. This third 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 claims 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 arising from 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 but that becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Bank Account

The company had \$10,595 in its bank account at ANZ Bank as at the date of liquidation. In accordance with its right of set-off, this amount was set-off against the company's total indebtedness to ANZ.

3.2. Rent from Tenants

At the time of our appointment, the unit was rented, and the existing tenant had a one-year fixed term tenancy, which expired on 20 May 2019. The rental of the unit was being managed by the on-site management company.

We collected rent totalling \$18,857 over the course of the fixed-term tenancy. During the same period, we paid rental management fees, property maintenance expenses, post-liquidation rates, and post-liquidation body corporate levies.

3.3 Sale of Unit at Dockside Lane

With the consent of the mortgagee, the liquidators sold the unit owned by the company at auction on 10 April 2019 for \$150,000. The settlement date for the sale was 22 May 2019.

3.4 Recovery from Body Corporate Litigation

The Body Corporate of Dockside Lane is the plaintiff in proceeding CIV-2017-404-045. The company and the new owners of the unit have agreed that, if there is a future recovery by the Body Corporate under the proceedings and an amount becomes payable to the owner of the unit as a result, that amount will be pro-rated between the company and the new owners based on their respective contributions to the cost of the proceedings. The liquidators understand that the proceedings are still on foot.

4 INVESTIGATIONS

We have completed our investigations into the books, records and affairs of the company. No matters came to our attention that might result in a benefit to creditors, if pursued.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

ANZ Bank had a mortgage registered against the unit owned by the company. The balance of the home loan as at 7 September 2018 was \$377,895.

ANZ has received distributions totalling \$122,099, being:

- the funds held as at the date of liquidation of \$10,595; and
- the net proceeds of sale from the sale of the unit totalling \$111,504.

The balance of the amount owing to ANZ is an unsecured claim.

5.2 *Preferential Creditors*

The applicant creditor was awarded costs and disbursements relating to its liquidation application totalling \$3,101. These preferential costs were paid in full, from the net proceeds of sale of the unit.

5.3 *Unsecured Creditors*

Auckland Council and the Body Corporate submitted unsecured claims totalling \$15,960. These unsecured claims were paid in full from the gross proceeds of sale of the unit, in accordance with the terms of the sale and purchase agreement.

6 LIQUIDATORS' FEES

We have taken fees of \$14,633 and paid disbursements of \$487 to the cut-off date of this report. Our fees are based on work in progress of 78.8 hours with a work in progress value of \$19,336 as follows:

Work Category	Hours	\$
Appointment attendances	12.1	2,616
Asset realisations	47.3	11,937
Creditor related attendances	7.4	1,690
Statutory requirements and file management	9.1	1,814
Tax	0.4	86
Investigations and legal	2.4	664
Finalisations	0.1	23
Disbursements		506
Total	78.8	19,336

Liquidators' fees in a Court ordered liquidation are to be approved by the Court. If required, we will make a retrospective application for fee approval.

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. In circumstances where no application has been made to review or fix the liquidators' remuneration, the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

7 FUNDS / LIKELY OUTCOME

Further funds may be received, following resolution of the Body Corporate's proceedings.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Resolution of Body Corporate litigation and payment of settlement funds (if any)
- Distribution of settlement funds (if any)
- Completing liquidation and retiring as liquidators

9 ESTIMATED DATE OF COMPLETION

The date of completion of the liquidation is dependent on the Body Corporate's litigation being resolved.

10 CONTACT DETAILS

Enquiries should be directed to Marisa Brugeyroux on DDI (09) 306 3340 or by email to mbrugeyroux@mvp.co.nz.

The Liquidators can be contacted at:

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IAIN McLENNAN
LIQUIDATOR

DATED this ^{12th} day of December 2019

Realisations and Distributions

Kyodo Properties Limited (In Liquidation) 16 November 2018 to 15 November 2019

	Cash Received
	\$
Realisations	
Bank Account Balance	10,595
Rent Collected	18,857
Sale of Unit	150,000
Purchaser's Contribution to Rates and Levies	1,690
Total Realisations	<u>\$170,547</u>
Payments	
Liquidators Fees	
Liquidators Fees	14,633
Disbursements	487
Total Liquidators Fees	<u>\$15,120</u>
Other Costs of Liquidation	
Rental Management Fees	1,686
Maintenance to Unit	578
Body Corporate Disclosure Statements	690
Post Liquidation Rates	487
Post Liquidation Body Corporate Levies	6,846
Real Estate Agent Fees and Disbursements and Legal Fees	14,575
Total Other Costs	<u>\$24,862</u>
Total Costs of Liquidation	<u>\$39,982</u>
Distributions	
Bank Set-Off	10,595
Payment of Auckland Council Rates Arrears	1,889
Payment to Body Corporate re costs	3,101
Payment of Body Corporate Arrears	14,071
Net Proceeds to Mortgagee	111,504
Total Distributions	<u>130,565</u>
Total Payments	<u>\$181,142</u>
BALANCE HELD	<u>\$Nil</u>