



McDonald
Vague

business recovery partners

LANDSCAPING DIRECT LIMITED (IN LIQUIDATION)

Liquidators' First Report

McDonald Vague Limited

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Auckland Central

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TO: The directors, shareholders and known creditors of the company

1 INTRODUCTION AND APPOINTMENT

Landscaping Direct Limited (In Liquidation) ("the company") was placed into liquidation by a special resolution of the shareholders of the company pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 06 April 2021 at 10:00 a.m. Peri Micaela Finnigan (Licence No: IP17) and Colin Sanderson (Licence No: IP89), Licensed 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, amend this report to take into account any information existing at the date of this report that becomes known to us after this report is published.

3 INDEPENDENCE

A declaration of independence is attached at Appendix 2. We are not aware of any real or perceived conflicts of interest or risks to our independence.

4 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs
- Appendix 2: Declaration of independence, relationships, indemnities, and upfront payments
- Appendix 3: Schedule of creditors' names and addresses
- Appendix 4: Notice of liquidators' decision to dispense with meeting of creditors
- Appendix 5: Notice to creditors to prove debts or claims
- Appendix 6: Creditors claim form

5 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	23 February 2004	
Company number:	1475398	
New Zealand Business Number:	9429035583080	
Date ceased trading:	31 March 2021	
Nature of business:	Quarrying	
Trading address:	Acacia Bay Road, Taupo	
Previous names/Trading name:	Nil	
Share capital:	1000 Shares	
Shareholders:	Shaun Colin Fredricksen	1000
Directors:	Shaun Colin Fredricksen	
Related companies:	DIGIVU Contracting Limited Pumice Central Limited	

The company was engaged in quarrying scoria in Taupo pursuant to an agreement with the landowner trust. The company also had an agreement to supply the scoria to LSD 2017 Limited (LSD 2017).

The director has advised that LSD 2017 fell behind in making payment for the exclusivity that was the basis of the contract and also failed to pay for some product. The issues went to mediation in August 2018. The director claims that LSD 2017 didn't comply with all of the mediation conditions and subsequent to the mediation again stopped making payment for the exclusivity.

The company advised LSD2017 that they were going to cancel the supply agreement but gave them time to comply with the requirements. This did not happen, and the agreement was cancelled on 16 September 2019.

In October 2019, LSD 2017 filed proceedings in the High Court against the company alleging misrepresentations had been made in the agreement process. The claim, which was for losses of approximately \$3.5 million, is denied by the company.

The shareholder continued to fund the proceedings until he was unable to continue. The decision was then made to liquidate the company as it would be unable to meet any judgement given by the Court.

6 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.

7 ASSETS AND PROPOSED ACTIONS IN THE LIQUIDATION

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

aware that the company major items of machinery were sold to a related company in March 2020 and are investigating the circumstances of that transaction.

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.

8 LIABILITIES AND CALL FOR CREDITOR CLAIMS

The liquidators have compiled a schedule of the company's creditors and their addresses as required by Section 255(2)(c) of the Act, which is at Appendix 3. The schedule has been compiled from company records and information provided to the liquidators at the time of preparing this report. The schedule may not list all of the company's creditors and all of the parties listed on the schedule may not be creditors of the company.

A notice to creditors to prove debts or claims is provided at Appendix 5 and an unsecured creditor's claim form is provided at Appendix 6. If you are an unsecured creditor and you wish to lodge a claim in the company's liquidation, please complete the unsecured creditor's claim form then return the completed form together with supporting documentation to our offices by 10 May 2021. Creditors that have not made a claim by this date may be excluded from any distribution made.

If you believe that you are a secured creditor, you should not complete the unsecured creditor's claim form. Please contact us and request that a secured creditor's claim form be sent to you.

8.1 Secured Creditors

As at the date of liquidation 7 secured parties had registered security interests against the company on the Personal Property Securities Register. Two have since discharged their financing statements

Bank of New Zealand
Bridgestone New Zealand
CSG Finance
H J Asmuss & Co
RX Plastics

We have been advised by the director that there are no amounts owed to any of the secured creditors. We have written to the secured creditors seeking confirmation of the position.

Personal Property Securities Act / Reservation of Title

If you have not registered a financing statement on the PPSR and you believe you have:

- a Purchase Money Security Interest entitling them to any goods in the possession or control of the company and/or proceeds from the realisation of those goods; and/or
- a Reservation of Title over goods;

you should contact us immediately.

8.2 Preferential Creditors

At this time we are unaware of any preferential claims.

8.3 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 \$3,509,939. Please note that this amount includes the contingent claim of LSD 2017 Limited but does not include amounts owed to the shareholder for unsecured advances.

9 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Any creditor or shareholder may at any time in the course of the liquidation request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993, for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

10 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 it can be difficult for liquidators to act in reliance on information that is not provided in writing.

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 your creditors' claim form.

This report and all subsequent reports will be available on the Liquidators' website at <http://www.mvp.co.nz>

11 ESTIMATED DATE OF COMPLETION

The liquidators estimate the liquidation will be completed within the next year.

12 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI +64 (7) 838 0908 or by email to csanderson@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10
33 Federal Street
Auckland 1010

P O Box 6092
Victoria Street West
Auckland 1142



Peri M Finnigan
LIQUIDATOR (Licence No: IP17)

Dated this 12th day of April 2021

LANDSCAPING DIRECT LIMITED (IN LIQUIDATION)

Statement of Affairs

Statement of Affairs for the above named company as at 6 April 2021 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

ASSETS SPECIFICALLY PLEDGED

There are securities registered on the Personal Properties Securities Register but no assets held in respect to the securities

ASSETS AVAILABLE FOR SECURED CREDITOR

	<i>Book Value</i>	<i>Estimated to Realise</i>
Accounts receivable	142,172	18,720
Bank account balances	5,822	5,822
Inventory - scoria by-product	203,250	Unknown
Pre liquidation GST refund	5,668	5,668
Related company debt	31,971	Unknown
Resource consent - scoria quarry	-	Unknown
Total	388,883	30,210

LESS GENERAL SECURITY AGREEMENT HOLDER/S

Bank of New Zealand (See note 4 below)

Unknown

Total

-

-

Estimated surplus as regards General Security Agreement holders

\$30,210

AVAILABLE FOR UNSECURED CREDITORS

30,210

LESS UNSECURED CREDITORS

Estimated deficiency as regards General Security Agreement holders

-

Trade creditors

9,939

Judgement creditor (see note 6 below)

3,500,000

Estimated surplus/(deficiency) as regards unsecured creditors

(\$3,479,729)

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.
4. The General Security Agreement holder's is yet to advise if there is any debt owed.
5. There is a contingent liability in respect of the lease of premises.
6. This is a contingent claim with the quantum to be confirmed by the Court

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.

LANDSCAPING DIRECT LIMITED (IN LIQUIDATION)

Declaration of Independence / Relationships / Indemnities and Upfront Payments

A DECLARATION OF INDEPENDENCE

- (i) The appointed and McDonald Vague Limited have undertaken a proper assessment of the risks of independence prior to accepting appointment in accordance with the code of conduct and applicable professional standards and have concluded that they have no prior business or professional relationship with the insolvent that is a real or a potential risk and that they are independent.

B DECLARATION OF RELATIONSHIPS

- (ii) The appointed and McDonald Vague Limited have no prior business or professional or personal relationship with known associates of the insolvent or with the major secured creditors that are a real or potential risk with the exception and to the extent of:

Name	Relationship	Reason
Bank of New Zealand (Secured creditor)	Professional	We have previously dealt with the BNZ in relation to other insolvencies.
Philip Morris (Referrer)	Professional	The liquidators have previously received referrals from Mr Morris. There are no conditions on the conduct or outcome of the liquidation attached to the referral

- (iii) The appointed disclose there are no other relevant relationships to declare.
- (iv) The appointed and McDonald Vague Limited have not provided any prior professional services to the insolvent or known associates of the insolvent in the prior two years.

Appendix 2

C DECLARATION OF INDEMNITIES AND UPFRONT PAYMENTS

- (v) An indemnity has been provided by Shaun Fredricksen for the amount of \$5,000, to cover initial remuneration and expenses associated with the appointment, if no recovery is made. There are no conditions on the conduct or outcome of the liquidation, attached to the indemnity.



Peri M Finnigan
LIQUIDATOR

Dated this 12th day of April 2021

LANDSCAPING DIRECT LIMITED (IN LIQUIDATION)

Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor Name	Address 1	Address 2	Address 3	Postcode
Bank of New Zealand	Private Bag 92089	Victoria Street West	Auckland	1142
CSG Finance (NZ Facility 2) Limited	PO Box 68542	Victoria Street West	Auckland	1142
Forsythe Contracting	rhyski@gmail.com			
H J Asmuss & Co Limited	PO Box 1441	Panmure	Auckland	1741
LSD 2017 Limited c/- Denton Kensington Swan	PO Box 10246	Wellington		6143
Pro Car Care	nick@procarcare.co.nz			
RX Plastics Limited	Private Bag 802	Manurewa	Auckland	2243

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Landscaping Direct Limited (In Liquidation) and the likely result of the liquidation the liquidators propose to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Colin Sanderson of this office on DDI +64 (7) 838 0908 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.



Peri M Finnigan
LIQUIDATOR

Dated this 12th day of April 2021

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Landscaping Direct Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of Landscaping Direct Limited (In Liquidation) ("the company"), fix 10 May 2021, as the day on or before which the company's creditors are to make their claims and 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.



Peri M Finnigan
LIQUIDATOR

Dated this 12th day of April 2021

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10
33 Federal Street
Auckland 1010

P O Box 6092
Victoria Street West
Auckland 1142

Telephone: +64 (9) 303 0506
Facsimile: +64 (9) 303 0508
Website: <http://www.mvp.co.nz>

DATE OF LIQUIDATION: 06 April 2021



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 \$23,960 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: \$ _____