



McDonald  
Vague

business recovery partners

**EXLWC Limited (In Liquidation)  
(formerly LittleWolf Company Limited (In Liquidation))**

**McDonald Vague Limited**

Level 10, 33 Federal Street,  
Auckland Central

**Liquidators' Fourth Report**

**For the period from 12 September 2019 to 11 March 2020**

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**1 INTRODUCTION AND APPOINTMENT**

Peri Micaela Finnigan and Iain McLennan, Accredited Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of LittleWolf Company Limited (in liquidation) ("LittleWolf") on 12 September 2018. LittleWolf changed its name to EXLWC Limited ("the company") on 30 October 2018.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators are reporting on the progress of the liquidation. This fourth 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 Debtors**

***(Statement of Affairs: \$131,676)***

The accounts receivable was overstated in the statement of affairs attached to the liquidators' first report. A review of the company's records confirmed that the accounts receivable as at the date of liquidation was \$27,666.

The liquidators recovered \$27,545 from pre-liquidation debtors. Small balances relating to credit notes issued but not applied, unreconciled payments, and underpayments resulting from international money transfers were written off.

All of the company's recoverable accounts receivables have been recovered.

**3.2 Sale of Business and Assets** **(Statement of Affairs: \$60,000)**

Prior to the liquidators' appointment, the company sold its business and stock together with some of its fixed assets as a going concern. As part of the sale, the purchaser sub-let the company's premises to the end of the company's lease term. The purchaser paid \$60,000 on the sale plus rent of \$6,948 under the lease. The purchaser also assumed liabilities to the company's customers with an estimated value of approximately \$72,000. The company paid sales commission of \$11,500 and legal fees of \$6,149 relating to the sale.

At the end of the company's lease, the liquidators sold the company's remaining fixed assets for \$25,000. Legal fees on the sale were \$795. The purchaser contributed \$250 towards these legal fees.

All of the company's known physical assets of value have been realised.

**3.3 Bonds and Refunds** **(Statement of Affairs: \$NIL)**

The liquidators have recovered a bond of \$2,233.

The liquidators have received a refund of \$1,653 following cancellation of a booking paid for prior to the company's liquidation.

**3.4 Motor Vehicles** **(Statement of Affairs: \$TBC)**

The company's vehicles were sold by the secured creditor. The company's vehicles realised \$97,970 less sale costs totalling \$3,499.

## **4 INVESTIGATIONS**

The liquidators' investigations into the books, records and affairs of the company are ongoing.

The liquidators are satisfied that the company's director and his related interests were creditors of the company as at the date of liquidation. Since liquidation, the company's director has paid some of the company's creditors pursuant to his personal guarantees. The liquidators do not consider that they have any claim against the company's director.

The liquidators reviewed the pre-liquidation sale of the company's business and assets. The purchaser worked with the liquidators to resolve issues that arose from and following the sale of the company's business, which resulted in further recoveries being made by the liquidators.

There are other possible recoveries that may be available to the liquidators, which the liquidators are continuing to investigate. As the liquidators do not wish to prejudice these potential recoveries, no further details are being provided at this time.

## 5 CREDITORS' CLAIMS

### 5.1 *Secured Creditors*

Secured creditors with perfected securities over leased equipment have had that equipment returned to them.

Toyota Finance New Zealand Limited sold the vehicles over which it held security. It recovered \$94,521 pursuant to its security. None of the vehicles dealt with by Toyota resulted in any surplus being realised for the benefit of the general body of creditors.

Westpac Bank Limited held a general security over the company's present and after acquired personal property. With Westpac's consent, the liquidators dealt with the secured assets and distributed \$53,212 to Westpac, whose debt has been repaid in full. The surplus realised was used to make a partial distribution to the company's employees in payment of their preferential claims.

All of the company's secured assets have been dealt with and all secured distributions have been made. Any shortfalls owing to secured creditors are unsecured claims in the liquidation.

There are financing statements still registered in favour of five creditors on the PPSR.

### 5.2 *Preferential Creditors*

The liquidators have accepted preferential claims from employees totalling \$41,470 and have made distributions of 48 cents in the dollar on those preferential claims. The distributions to employees total \$20,438, including employer KiwiSaver contributions.

The Commissioner of Inland Revenue has submitted a preferential claim for unpaid GST totalling \$12,955. No distribution has been made to the Commissioner in respect of this claim.

Two unsecured creditors have submitted preferential claims totalling \$1,363. These creditors have been advised that they do not have preferential claims under the Companies Act 1993.

### 5.3 *Unsecured Creditors*

Twenty unrelated party creditors have submitted unsecured claims totalling \$90,101.

In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting unsecured creditors' claims until such time as we are in a position to pay a distribution to unsecured creditors.

## 6 FUNDS / LIKELY OUTCOME

There may be further amounts recoverable by the liquidators, but those amounts will not be sufficient to pay the preferential creditors' claims in full. The liquidators do not, therefore, anticipate that unsecured creditors will receive any distribution.

## 7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Completing investigations
- Resolving further possible recoveries
- Finalising liquidation and applying to remove company from Companies Register

## 8 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report, the liquidators anticipate that they will complete all outstanding matters and retire as liquidators within the next 12 months.

## 9 CONTACT DETAILS

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

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PERI M FINNIGAN  
LIQUIDATOR

DATED this 29 day of April 2020

# Realisations and Distributions

## EXLWC Limited (in liquidation) 12 September 2018 to 11 March 2020

<b>Realisations</b>	
Accounts receivable	27,545
Contribution to legal fees	250
Interest	97
Sale of business and fixed assets	85,000
Sale of motor vehicle	97,970
Rent on sublease	6,948
Bonds and refunds	3,876
<b>Total Realisations</b>	<b>\$221,686</b>
<b>Payments</b>	
<b>Liquidators Fees</b>	
Liquidators Fees	30,977
Disbursements	618
<b>Total Liquidators Fees</b>	<b>\$31,595</b>
<b>Other Costs of Liquidation and Trading On</b>	
Cost of sale - motor vehicles	3,449
RWT	27
Commission - business	11,500
Legal fees	6,944
<b>Total Costs of Liquidation</b>	<b>\$21,921</b>
<b>Distributions</b>	
Secured creditors	147,733
Preferential creditors	20,438
<b>Total Distributions to Unsecured Creditors</b>	<b>\$168,171</b>
<b>Total Payments</b>	<b>\$221,686</b>
<b>BALANCE HELD</b>	<b>\$NIL</b>

**Note:** the above figures are GST exclusive