



McDonald
Vague

business recovery partners

MODERN BUILT INVESTMENTS LIMITED (IN LIQUIDATION)

Liquidators' Fifth Report For the period from 1 April 2023 to 30 September 2023

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Iain McLennan and Colin Sanderson, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Modern Built Investments Limited (In Liquidation) ("the company") on 1 October 2021.

This report has been prepared pursuant to Section 255(2)(d) of the Companies Act 1993 (**Act**) for the purpose of reporting on the liquidation of the Company. A Statement of Realisations and Distributions is **attached** as Appendix 1.

The report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

2 RESTRICTIONS

This report should be read in conjunction with the liquidators' previous reports.

This report has been prepared using the information known to us. We have not independently verified the accuracy or reliability of the information provided or undertaken audit of the Company. 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 which becomes known to us after that date.

3 UPDATED INTERESTS STATEMENT

We have not become aware of any circumstances, relationships, or other facts that create, or could reasonably be perceived as creating, a conflict of interest for us in relation to our independence as liquidators since we last prepared an interests statement.

4 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

In the last reporting period the liquidators have -

- Recovered of a claimed overpayment of legal fees, directors fees and other intercompany amounts
- Reached an agreement with all shareholders for settlement of the issues identified in the liquidation, including amounts owed by/to related company debtors and creditors.
- Paid a further distribution to all shareholders in accordance with the terms of the agreement
- Advanced GST and Income Tax tax finalisation, one by way of a voluntary disclosure
- A late claim from a former tenant has been received and is being investigated

Background

The liquidators were appointed by the Court of Appeal and it was anticipated that all creditors would be paid in full from the proceeds of the sale of the company's commercial properties, which were located in Hamilton and Auckland.

Asset sales have been completed and the purchase price for each has been received in full.

The company is solvent as the result of significant capital gain on the asset sales. All known third party creditors have been paid in full. The shareholders have been identified and distributions made.

5 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company.

With the assistance and co-operation of all shareholders and their respective legal advisors, an agreement has been reached that resolves all of the issues identified as between them and the company during the investigations.

The liquidators have filed a Voluntary Disclosure with the Inland Revenue Department in relation to that issue and are awaiting the IRD response.

There are no known current or pending proceedings for which the company is a party.

6 CREDITORS' CLAIMS

In the interest of minimising liquidator's fees, the liquidators will only formally accept or reject creditors' claims if there are funds available to pay a distribution.

The following claims have been received:

CLAIMS RECEIVED	NUMBER	VALUE	DISTRIBUTIONS	¢ IN THE \$
GSA Holders	1	4,848,568	4,848,568	100
IRD Preferential Claims	1	6,394	6,394	100
Unsecured Claim	5	81,155	81,155	100

- Five unsecured claims which have been admitted by the liquidators, which amount to \$81,155 (incl GST) have been paid in full. A further unsecured claim was withdrawn as part of the settlement. A further amount of \$811,291 has been paid to an related company unsecured creditor by agreement. A late claim from a former tenant has been received and is being investigated.

The company's income tax position for the years ending 31 March 2021 was established with the assistance of the company's external accountants. The income tax payable for the year ending 31 March 2021 of \$54,630.80 was added to the Inland Revenue department's unsecured claim and was paid as part of the distribution to unsecured creditors. This is included in the above distribution figures.

The income tax for the years ending 31 March 2019, 2020, and 2022 have also been confirmed and paid to IRD as a distribution. The 2022 year included both pre and post liquidation activity.

7 LIQUIDATORS' FEES

The Company has paid liquidators' fees and disbursements to the end of the reporting period totalling \$205,303 plus GST.

The fees are based on 729.43 hours of work undertaken as set out in the remuneration summary attached as appendix 2.

Liquidators' fees in a Court ordered liquidation are to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

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.

8 FUNDS / LIKELY OUTCOME

Except for the late claim just received and under consideration, all creditors have been paid in full and there could will be further funds available for distribution to the shareholders once all tax obligations have been met and the liquidation is able to be completed.

9 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Finalisation of the former tenant's late claim in the liquidation
- Tax finalisation
- Further and Final Distributions to shareholders if any

We are unable to estimate when the liquidation will be completed at this time.

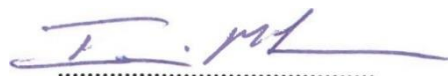
10 CONTACT DETAILS

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:

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Auckland 1051

PO Box 6092
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Iain McLennan
LIQUIDATOR (Licence No: IP82)

Dated this 1st day of November 2023

Realisations and Distributions

Since initial report

Modern Built Investments Limited (In Liquidation) 1 October 2021 to 30 September 2023

	30/09/2023	Position as at last report	Last 6 months movement
Realisations			
EBL Debt collect	931,831	931,831	-
SBS Collect	414,276	-	414,276
Legal Fees recovery	817,054	-	817,054
Shareholder Current account	567,658	-	567,658
IRD Penalty and Interest recovery	27,000	-	27,000
Sale of Grasslands Place	2,025,217	2,025,217	-
Sale of Richard Pearse Dr	10,100,000	10,100,000	-
Fresh Office Rent	77,710	77,710	-
Fresh Office Opex	17,274	17,274	-
National Product Rent	43,183	43,183	-
National Product Opex	11,220	11,220	-
Everyman Rent	48,000	48,000	-
Everyman Opex	10,931	10,931	-
Interest	241,914	142,229	99,685
Insurance Refund	14,307	14,307	-
			-
Total Realisations	15,347,577	13,421,903	1,925,673
Payments			
Liquidators Fees			
Liquidators Fees	204,904	157,936	46,968
Disbursements	399	399	-
Total Liquidators Fees	205,303	158,335	46,968
Other Costs of Liquidation and Trading On			
Legal Fees - Property	12,641	12,641	-
Legal Fees - Other	107,110	95,115	11,995
Tax advice	14,380	5,300	9,080
Commissions Costs	165,644	165,644	-
RWT on Interest	64,625	34,734	29,891
Insurance	21,432	21,432	-
Bank Interest	72,577	72,577	-
Building WOF	1,908	1,908	-
Watercare	1,598	1,598	-
ACC on directors fees	1,203	-	1,203
Council Rates	14,137	14,137	-
R & M	1,401	1,401	-
Prepaid Opex - Repayments to Tenants	13,690	13,690	-
Marketing Costs	13,539	13,539	-
Total Costs of Liquidation and Trading On	505,885	453,716	52,169
Distributions			
Secured Creditor	4,377,189	4,377,189	-
Secured creditor - guarantee -	471,379	471,379	-
Shareholder Distributions	4,167,742	1,375,000	2,792,742
Shareholder Distributions	4,167,743	1,375,000	2,792,743
Other settlement transfer by agreement	23,973	-	23,973
IRD income tax 2019, 2020 and 2022	213,523	213,523	-
Preferential GST and PAYE	6,394	6,394	-
Dividends to Unsecured Creditors (Incl MBH)	892,446	74,331	818,115
Total Distributions to Unsecured Creditors	14,320,389	7,892,816	6,427,573
			-
Total Payments	15,031,577	8,504,867	6,526,710
			-
BALANCE HELD and MOVEMENT	315,999	4,917,036	(4,601,037)
			-
The amounts above are GST exclusive.			

Appendix Two

MODERN BUILT INVESTMENTS LIMITED (IN LIQUIDATION)

BREAKDOWN OF LIQUIDATORS REMUNERATION AND EXPENSES FOR THE PERIOD OF THE LIQUIDATION

1 Oct 2021 to 30 September 2023

Time costs by Position and Work Type	Hourly rate	Appointment Functions		Asset Realisation		Creditors & Report		Management & Tax		Investigation		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Directors /Partners /Consultants/Liquidators	\$400 - \$425	23.2	\$7,494	109.7	35,336	73.6	26,106	41.4	16,224	33.5	10,685	281.4	95,845
Forensic Accountants / Associates	\$300 - \$380	13.5	3,746	121.13	32,207	34.9	9,623	94.8	24,854	109.9	27,974	374.23	98,404
Insolvency Accountants	\$140 - \$200	2	\$400	0.4	\$80	5.9	1,180	65.3	8,955	0.2	\$40	73.8	10,655
Total		38.7	11,640	231.23	67,622	114.4	36,909	201.5	50,033	143.6	38,699	729.43	204,904

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	\$399
Total	\$399

Work completed includes but is not limited to:

Appointment	All matters on the commencement of the appointment
Creditors	All communications, claims, reporting, enquiries
Asset Realisations	All matters in respect of the potential sale of assets/business/IP and subsequent sale of assets including trading/debtors
Management & Tax	All matters in respect of statutory reporting and the management of the file
Investigation	Analysis of bank statements, review of historic transactions and accounts to identify avenues for recovery