



McDonald
Vague

business recovery partners

MODERN BUILT INVESTMENTS LIMITED (IN LIQUIDATION)

McDonald Vague Limited

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Liquidators' Second Report For the period from 1 October 2021 to 31 March 2022

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 29 April 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 report.

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

As advised in our 1st report, 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.

During the reporting period, we continued to operate the properties whilst they were being marketed and sold. The sales have been completed and the purchase price for each has been received in full.

The secured creditor has been paid in full for the company's debt and for the debt of the related company, Everyman Boats Limited (EBL), which had been guaranteed by the company and was secured by the company's properties.

Tax matters existed at the date of liquidation and also arising from the sale of the company assets. These are being attended to and are expected to be finalised in the near future.

Shareholder current account calculations are underway.

5 INVESTIGATIONS

The liquidators are continuing their investigations into the books, records and affairs of the company. We are carrying out a detailed examination of the company's books and records to identify and quantify any amounts that may be owed to the company and to ensure that all liabilities of the company have been met.

This process is on-going and has involved requests to the director and his professional advisors for information and records. The directors and shareholders are cooperating with the liquidators.

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 | 4 | 26,603 | 19,779 | |

Three unsecured claims, which amount to \$19,779 (incl GST) have been paid in full. A fourth unsecured claim is disputed by the director. The liquidators are currently obtaining a response from the creditor concerned.

7 LIQUIDATORS' FEES

The Company has paid liquidators' fees and disbursements to the end of the reporting period totalling \$78,386 plus GST.

The fees are based on 283.37 hours of work undertaken as follows:

| Work Category | Hours | \$ |
|--|---------------|-----------------|
| Appointment functions | 15.62 | 4,067 |
| Asset realisations | 118.38 | 34,273 |
| Creditors' claims, enquiries and reports | 28.70 | 8,853 |
| Taxation & Management | 59.72 | 13,705 |
| Investigations | 60.95 | 17,488 |
| Total | 283.37 | \$78,386 |

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

All creditors will be paid in full and there will be funds available for distribution to the shareholders. The claim of one unsecured creditor is being assessed and remains unpaid.

9 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Complete unsecured creditor assessment
- Completion of the investigations/shareholder current account issues
- Finalising and paying the company tax obligations
- Recovery of any outstanding amounts owing to the company
- Family Court proceedings to be completed

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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Level 1, 136 Greenlane East
Auckland 1051

PO Box 6092
Victoria Street West
Auckland 1142


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Iain McLennan
LIQUIDATOR (Licence No: IP57)

Dated this 12th day of May 2022

| Realisations and Distributions | | Since initial report |
|--|--|----------------------|
| Modern Built Investments Limited (In Liquidation) | | |
| 29 April 2021 to 31 March 2022 | | |
| | | 31/03/2022 |
| Realisations | | |
| Advance from Shareholders | | - |
| Bank Account Closure | | - |
| Cash on Hand | | - |
| Sale of Grasslands Place | | 2,025,217 |
| Sale of Richard Pearse Dr | | 10,100,000 |
| Fresh Office Rent | | 77,710 |
| Fresh Office Opex | | 14,813 |
| National Product Rent | | 43,183 |
| National Product Opex | | 6,101 |
| Everyman Rent | | 48,000 |
| Everyman Opex | | 10,780 |
| Interest | | 2,344 |
| Insurance Refund | | 11,455 |
| Pre receivership GST Refund | | - |
| Total Realisations | | 12,339,602 |
| Payments | | |
| Liquidators Fees | | |
| Liquidators Fees | | 78,386 |
| Disbursements | | 396 |
| Total Liquidators Fees | | 78,782 |
| Other Costs of Liquidation and Trading On | | |
| Legal Fees | | 25,126 |
| Commissions Costs | | 165,644 |
| RWT on Interest | | 656 |
| Insurance | | 21,432 |
| Bank Interest & Fees | | 72,577 |
| Building WOF | | 1,908 |
| Watercare | | 1,598 |
| Council Rates | | 12,750 |
| R & M | | 1,401 |
| Prepaid Opex - Repayments to Tenants | | 13,690 |
| Marketing Costs | | 13,539 |
| Total Costs of Liquidation and Trading On | | 330,321 |
| Distributions | | |
| Secured Creditor | | 4,377,189 |
| Secured creditor - guarantee | | 471,379 |
| Preferential Wages and Holiday Pay | | - |
| Preferential GST and PAYE | | 6,394 |
| Dividends to Unsecured Creditors | | 18,754 |
| Total Distributions to Unsecured Creditors | | 4,873,716 |
| Total Payments | | 5,282,819 |
| BALANCE HELD | | 7,056,783 |