



McDonald
Vague

business recovery partners

Original 'N' Crispy Products Company Limited (In Liquidation)

Liquidators' Fifth Report for the period from 25 February 2018 to 24 August 2018

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of Original 'N' Crispy Products Company Limited ("the company") on 25 August 2016.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators are reporting on the progress of the liquidation. This fifth 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 a claim 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 as 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 Trade Debtors

(Statement of Affairs: \$Unknown)

The liquidators recovered \$16,841 from pre-liquidation debtors. Debt collection fees totalling \$762 were incurred in recovering these debts.

All of the company's recoverable trade debts have now been collected.

3.2 Assets

(Statement of Affairs: \$Unknown)

3.2.1 Sale of the Business

The company's intangible assets and most of its fixed assets were sold by the liquidators as a going concern. The purchase price of \$60,000 has been paid to the liquidators in full.

3.2.2 Other Tangible Assets

Two machines owned by the company were excluded from the sale of the business. The liquidators have realised \$5,478 from selling these machines. The commission payable on sale was \$357.

All of the company's known tangible assets have now been realised.

3.2.3 Vehicles

The company owned a number of vehicles. None of the vehicles had any equity in them as at the date of liquidation so they were disclaimed by the liquidators.

European Financial Services Limited ("EFSL") has sold one of the company's vehicles, which realised \$27,826 in reduction of the secured debt. The cost of sale was \$112. There is still \$9,362 owing to EFSL, which is an unsecured claim in the liquidation.

3.3 Interest

Since the date of liquidation, interest of \$314 has been earned on funds held.

3.4 Shareholder's Current Account

(Statement of Affairs: \$Unknown)

According to the company's records, the shareholder's current account was overdrawn as at the date of liquidation. The liquidators have made demand on the shareholder for repayment of this account. To date, no recoveries have been made from the shareholder.

3.5 Related Party Debt

According to the company's records, the director's family trust was a debtor of the company as at the date of liquidation. The liquidators have made demand on the related party for repayment of the debt owing to the company as at the date of liquidation. To date, no recoveries have been made from the related party.

4 INVESTIGATIONS

The liquidators' investigations into the affairs of the company are complete.

The liquidators have met with company's shareholder to discuss his overdrawn current account and related party debt. The liquidators have agreed to a full and final settlement of these debts on a time payment arrangement. The shareholder is currently in default of his payment obligations and has been

advised that, if the default is not remedied, the liquidators may pursue full recovery of all amounts owing to the company from the shareholder and the related party.

5 CREDITORS' CLAIMS

In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims unless there are funds available to pay a distribution to that class of creditors.

5.1 Secured Creditors

All secured assets of the company have been dealt with. Any shortfall owing to secured creditors following the realisation of their secured assets are unsecured claims in the liquidation.

5.2 Preferential Creditors

The High Court awarded costs and disbursements on the liquidation application to the petitioning creditor and to the IRD as creditor in support. These preferential court costs totalling \$6,693 have been paid in full.

The liquidators received preferential claims from seven former employees for wages/salary, holiday pay, and redundancy totalling \$33,591. The liquidators have made a partial distribution of \$10,000 in relation to the employees' preferential claims.

The Inland Revenue Department has submitted a preferential claim for \$32,967. No distribution has been made to the Inland Revenue Department in respect of this claim.

5.3 Unsecured Creditors

The liquidators have received unsecured claims totalling \$147,181. No distributions to unsecured creditors have been made.

6 LIQUIDATORS' FEES

The liquidators' time costing to 24 August 2017 totals \$59,964 excluding GST based on 290.7 hours of work undertaken as follows:

Work Category	Hours	\$
Commencement	47.6	9,961
Creditors	30.4	5,760
Asset realisations	98.3	20,615
Taxation	8.0	1,450
Management	34.6	6,108
Investigations and legal	59.0	12,215
Statutory requirements	12.8	2,635
Disbursements		1,219
Total	290.7	59,964

The liquidators have charged fees and disbursements of \$59,964 to 24 August 2018.

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 Companies Act 1993 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

It is too early to determine whether there will be a distribution made to unsecured creditors. Any distribution to unsecured creditors is dependent on the liquidators making sufficient recoveries from the company's shareholder and/or related party debtor together with any recoveries arising from action taken following the liquidators' investigations.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Payment of settlement funds and/or recovery of shareholder's current account and related party debt
- Completion of the liquidation

9 ESTIMATED DATE OF COMPLETION

It is too early for the liquidators to estimate the date of completion of this liquidation.

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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PERI M FINNIGAN
LIQUIDATOR

DATED this 21 day of September 2018

Realisations and Distributions

Original 'N' Crispy Products Company Limited (In Liquidation) 25 August 2016 to 24 August 2018

Realisations	As Per Statement of Affairs \$	Cash Received \$
Debtors	Unknown	13,810
Interest	-	314
Sale of Assets	Unknown	93,304
Total Realisations	Unknown	\$107,428
Payments		
Liquidators Fees		
Liquidators' Fees		58,726
Disbursements		1,222
Total Liquidators Fees		\$59,948
Other Costs of Liquidation		
Insurance		314
Asset Valuation Costs		400
Debt Collection Fees		762
Commission on Sales		469
Residents Withholding Tax on Interest		88
Total Costs of Liquidation		\$2,033
Distributions		
Secured Creditor – PMSI (vehicle)		27,714
Preferential Creditor – Court Awarded Costs		6,693
Preferential Creditors – Employees		10,000
Total Distributions to Creditors		\$44,407
Total Payments		\$106,388
BALANCE		\$1,040

Note: the above figures are GST exclusive