



McDonald
Vague

business recovery partners

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

Liquidators' Third Report

For the period from 25 February 2017 to 24 August 2017

McDonald Vague Limited

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Auckland Central

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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 third 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)

To 24 February 2017, the liquidators have recovered \$13,810 in outstanding debtors. Debt collection fees totalling \$762 were incurred in recovering these debts.

All of the company's recoverable trade debtors 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.

3.2.2 Other Tangible Assets

Two machines owned by the company were excluded from the sale of the business. The liquidators have realised \$1,478 from selling one of the machines. The liquidators are still trying to recover and sell the second machine.

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.

3.3 Interest

Since the date of liquidation, interest of \$264 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 are investigating the current account further but do not wish to prejudice their position by providing further details of their investigations at this time.

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 are investigating this debt further but do not wish to prejudice their position by providing further details of their investigations at this time.

4 INVESTIGATIONS

The liquidators' investigations into the books, records and affairs of the company remain ongoing. The liquidators will continue to investigate any matters arising that they consider may lead to a recovery for the company's creditors, including the shareholder's current account balance and the related party debt.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

All secured assets of the company have been dealt with.

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

6 LIQUIDATORS' FEES

The liquidators' time costing to 24 August 2017 totals \$48,819 excluding GST based on 239.8 hours of work undertaken as follows:

Work Category	Hours	\$
Commencement	47.5	9,936
Creditors	29.9	5,625
Asset realisations	95.7	20,070
Taxation	5.1	990
Management	30.6	5,388
Investigations and legal	25.0	4,350
Statutory requirements	6.0	1,280
Disbursements		1,182
Total	239.8	48,822

The liquidators have charged fees of \$47,591 and disbursements of \$1,182 to 24 August 2017.

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 any actions taken following the completion of their investigations into the affairs of the company.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Liquidators' investigations into the affairs of the company
- Realisation of remaining assets

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 *f* day of September 2017

Realisations and Distributions

Original 'N' Crispy Products Company Limited (In Liquidation) 25 August 2016 to 24 August 2017

Realisations	As Per Statement of Affairs \$	Cash Received \$
Debtors	Unknown	13,810
Interest	-	264
Sale of Assets	Unknown	61,478
Total Realisations	Unknown	\$75,552
Payments		
Liquidators Fees		
Liquidators' Fees		47,591
Disbursements		1,182
Total Liquidators Fees		\$48,773
Other Costs of Liquidation		
Insurance		314
Asset Valuation Costs		400
Debt Collection Fees		762
Commission on Sales		357
Residents Withholding Tax on Interest		74
Total Costs of Liquidation		\$1,907
Distributions		
Preferential Creditor – Court Awarded Costs		6,693
Preferential Creditors – Employees		10,000
Total Distributions to Unsecured Creditors		\$16,693
Total Payments		\$67,373
BALANCE		
Bank account		\$8,179
GST refund due		7,078
		1,101

Note: the above figures are GST exclusive