



McDonald  
Vague

business recovery partners

**PWNS Limited  
(In Liquidation)  
(Trading as 24hr Print)**

McDonald Vague Limited

Level 10, 52 Swanson Street,  
Auckland Central

PO Box 6092, Wellesley Street,  
Auckland 1141, New Zealand

p: 09 303 0506

f: 09 303 0508

e: [insol@mvp.co.nz](mailto:insol@mvp.co.nz)

[www.mvp.co.nz](http://www.mvp.co.nz)

**Liquidators' Second Report  
For the period from 1 May 2017 to 28 November 2017**

**1 INTRODUCTION AND APPOINTMENT**

Boris van Delden and Peri Micaela Finnigan, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of PWNS Limited ("the company") on 1 May 2017.

Pursuant to Section 255(2) (d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This second report should be read in conjunction with the liquidators' previous report. 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 as a result of 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 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS**

At the date of liquidation, the company occupied significantly large premises, and operated various large, complex and expensive machines, mostly supplied by secured creditor, Fuji Xerox. Initially the liquidators had to work through various security documentation to ascertain ownership of machinery due to competing claims.

Once the liquidators resolved ownership and entitlement issues, it took the secured creditors approximately three weeks to remove the equipment, and due to remedial building work and protection of other assets being dealt with by the liquidators, we attended on site until the secured

creditors had removed their assets, and all other unencumbered assets were sold on site by public auction.

Our investigations into the affairs of the company prior to liquidation have been complex, due to the fact that the de facto head of the company had passed away, leaving a complex web of various agreements with customers, creditors and staff. Recoveries are ongoing, as are our investigations.

### **Asset Realisations**

#### **3.1 Debtors and Work in Progress (Statement of Affairs: \$56,000 and \$27,000 respectively)**

The liquidators have collected \$74,488 in accounts receivable recovery and completion of work in progress post liquidation.

We have engaged certain former staff to complete certain work in progress that was economically viable. Two such projects were completed several months after commencement of the liquidation, once the work sites were ready for installation. We have recently recovered the proceeds, but as the invoices for the work were made out pre-liquidation, the recoveries are reflected as debtors in the attached statement of realisations and distributions.

#### **3.2 Assets (Statement of Affairs: \$35,000)**

At the date of this report \$28,220 has been received from the sale of company assets. Recovery is on-going; as the company's intellectual property is being paid for by instalments.

The sale of the right to use the company's customer database was particularly complex, as it not involved third party intellectual property, that had to be protected and preserved. As many of the agreements in place for the company to use this intellectual property, were with the director in his personal capacity, the relevant third parties insisted that he retain custody of their intellectual property and purchase the right to use it from the company.

#### **3.3 GST Refunds**

GST refunds amounting to \$7,245 have been received.

## **4 INVESTIGATIONS**

Our investigations into the trading affairs of the company prior to liquidation are almost complete. As a result of our *investigations the following matters arose:*

- Various contra entries were passed immediately prior to liquidation against debtor accounts, where no value had been given for these contras. We have successfully negotiated recovery of some of these contra amounts, and are in the process of recovering others.

- The company had conducted a significant percentage of its business using some or other form of barter system. It is our impression that, since the return benefit from debtors consisted predominantly luxury items, they did not contribute to necessary income or expenditure, and that such practice contributed to the eventual insolvency of the company.

## 5 CREDITORS' CLAIMS

### 5.1 *Secured Creditors*

Secured claims have been received from three secured creditors totalling \$25,514. The major secured creditor has submitted a claim for \$5,121,544, subject to possible adjustment for the value of realisations from secured assets it recovered.

### 5.2 *Preferential Creditors*

Wages and Holiday pay amounting to \$16,732 has been paid in full to former employees.

The Inland Revenue Department has submitted a preferential claim for \$36,128. No dividend has been paid to the IRD at the date of this report.

### 5.3 *Unsecured Creditors*

As at the date of preparing this report 14 unsecured creditors claim forms have been received totalling \$5,846,906 (including the unsecured portion of the secured creditors claim). In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims unless we are in a position to pay a distribution.

## 6 FUNDS / LIKELY OUTCOME

It is too early to determine whether or not there will be a distribution to unsecured creditors.

## 7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Recovery and realisation of contra barterers.
- Ongoing debt recovery.
- Recovery by instalments of sale proceeds – ongoing.

## 8 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators within the next 18 months.

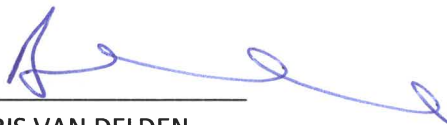
## 9 CONTACT DETAILS

Enquiries should be directed to Dalwyn Whisken on DDI (09) 969 5336 or by email to [dwhisken@mvp.co.nz](mailto:dwhisken@mvp.co.nz).

The Liquidators can be contacted at:

McDonald Vague Limited  
Level 10, 52 Swanson Street  
Auckland 1010

P O Box 6092  
Wellesley Street  
Auckland 1141



**BORIS VAN DELDEN**  
LIQUIDATOR

DATED this 28<sup>th</sup> day of November 2017

# Realisations and Distributions

PWNS Limited (In Liquidation)  
1 May 2017 to 28 November 2017

	28/11/2017
<b>Realisations</b>	<b>\$</b>
Income Tax Refund recovered	4,311
Debtors	78,282
Interest	109
Sale of Assets	29,959
GST Refunded	7,245
<b>Total Realisations</b>	<b>119,907</b>
<b>Payments</b>	
<b>Liquidators Fees</b>	
Liquidators Fees	60,954
Disbursements	2,177
<b>Total Liquidators Fees</b>	<b>63,131</b>
<b>Other Costs of Liquidation and Trading On</b>	
Bank Fees	83
Computer Expenses	2,307
Settlement Credits	761
Sundry Costs	313
Resident Withholding Tax on Interest	31
Trading On Expenses	91
Wages and PAYE	1,233
Post Liquidation - Electricity	700
<b>Total Costs of Liquidation and Trading On</b>	<b>5,517</b>
<b>Distributions</b>	
Auction Commission	428
Preferential Wages and Holiday Pay (100 cents in the dollar)	16,732
<b>Total Distributions to Unsecured Creditors</b>	<b>17,160</b>
<b>Total Payments</b>	<b>85,808</b>
<b>BALANCE HELD</b>	<b>34,098</b>