



McDonald
Vague

business recovery partners

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

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Liquidators' Seventh Report to creditors and shareholders

(for the period from 1 November 2019
to 30 April 2020)

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed joint and several 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 to creditors and shareholders of the company. This seventh 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 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

Once the liquidators resolved ownership and entitlement issues between competing secured creditors, all machinery belonging to such creditors was removed by the secured creditors. The removal was required to be completed prior to the sale of remaining stock and assets by public auction, and involved building alteration to remove large machinery from the company's premises. The liquidators monitored and supervised the removals due to potential damage to the premises, remaining stock and other assets.

After some delay, various work in progress projects and installations were completed that had previously been delayed pending readiness of premises by customers of the company. Completion of the above works has enabled collection of accounts receivable invoiced but not completed at the date of liquidation.

Our investigations into the affairs of the company prior to liquidation were hampered by the fact that the de facto head of the company had passed away prior to liquidation of the company, leaving a complex web of various agreements and arrangements with customers, creditors and staff. Recoveries are ongoing.

Our investigations revealed various transactions which constitute either voidable preferences or dispositions without value, which has required unravelling inconsistent terms of trade and transaction recording which were managed by the de facto director. We are in the process of voiding such transactions in order to realise assets for the benefit of all creditors. We are also in the process of realising assets recovered from dispositions without value.

The finalisation of certain recoveries and realisations, which were almost complete, has been delayed due to Covid-19 Level 4 restrictions.

Asset Realisations

3.1 Debtors and Work in Progress

The liquidators realised \$95,198 in recovery of accounts receivable, and through completion of work in progress post liquidation.

3.2 Assets

At the date of this report \$49,828 has been realised from the sale of company assets. Realisations almost complete, are expected to be finalised after the lifting of Covid-19 restrictions.

3.3 Trading on Sales

From a brief period of trading on sales, \$8,332 was realised.

3.4 Third Party Recoveries

We have realised \$2,732 and \$9,250 from refunds and third party recoveries respectively.

4 INVESTIGATIONS

Our investigations into the trading affairs of the company prior to liquidation are all but 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. We are in the process of recovering and realising assets or credits owed to the company through such barter arrangements.

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, which is subject to future adjustment as the secured creditor has not yet accounted to the liquidators for realisations from 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

We anticipate being able to make a distribution to creditors once recoveries are complete.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Realisation of assets recovered from voided barter arrangements.
- Recovery of value received by companies, and persons in lieu of payments which should have been made to the company.

8 ESTIMATED DATE OF COMPLETION

We estimate being able to complete the liquidation within six months.

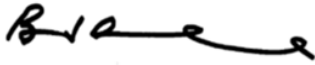
9 CONTACT DETAILS

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

The Liquidators can be contacted at:

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BORIS VAN DELDEN
LIQUIDATOR

DATED this 1st day of May 2020

Realisations and Distributions

PWNS Limited (In Liquidation) 1 May 2017 to 30 April 2020

Realisations	Cash Received \$
Debtors	95,198
Interest	863
Sale of Assets	49,828
Refunds Recovered	2,732
Third Party Recoveries	9,250
Pre-liquidation GST Refund	8,332
Total Realisations	\$166,203
Payments	
Liquidators Fees	
Liquidators Fees	121,442
Disbursements	4,176
Auctioneers Commission	516
Total Liquidators Fees	\$126,134
Other Costs of Liquidation and Trading On	
Bank Fees	83
Computer Expenses	5,286
Sundry Costs	1,073
Residents Withholding Tax on Interest	252
Trading on Expenses	91
Wages and PAYE	1,233
Post Liquidation – Electricity	700
Total Costs of Liquidation	\$8,718
Distribution to Preferential Creditors	
Preferential Wages and Holiday Pay	16,732
Total Distributions to Unsecured Creditors	\$16,732
Total Payments	\$151,584
BALANCE HELD	\$14,619

Note: the above figures are GST exclusive