



McDonald
Vague

business recovery partners

ROCOCO HAIR LIMITED (IN LIQUIDATION)

Liquidators' Second Report For the period from 27 February 2022 to 26 August 2022

McDonald Vague Limited
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1 INTRODUCTION AND APPOINTMENT

Keaton Pronk and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Rococo Hair Limited (In Liquidation) ("the company") on 27 February 2022.

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 since we last prepared an interests statement that create, or could reasonably be perceived as creating, a conflict of interest for us in relation to our independence as liquidators.

4 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

During the reporting period, we have:

- Inspected the premises and taken a stocktake.

- Traded the business which created a modest trading surplus in the post covid lockdown environment.
- Assessed and took advice on the ongoing saleability (if any) and value of the business and assets based on the uninterrupted post covid lockdown trading.
- Arranged a sale and purchase of the business and assets at a price that gives a significant benefit to creditors and in a way that saved sale costs.
- Investigated the reasons for the liquidation and assessed whether the liquidators had any reason to allege the company director was likely to be personally liable.

Since our appointment, we have:

- Interviewed the director and other parties with knowledge of the affairs of the Company
- Uplifted and reviewed the Company's books and records
- Investigated the affairs of the Company and the reasons for its failure

5 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. There were no matters that came to the knowledge of the liquidators that could eventuate in a benefit to creditors.

There are no known current or pending proceedings for which the company is a party.

6 CREDITORS' CLAIMS

The liquidators have received one unsecured creditors claim for \$232 in the liquidation. The liquidators have not yet received a claim from IRD however they are aware that the IRD is a preferential creditor for unpaid GST and PAYE totalling approximately \$80,284. The preferential amount owed to IRD is based on returns filed by the company according to the company accountant and the company books and records. An interim distribution of \$22,500 has been paid to IRD with regard to the preferential amounts owed after the report cut-off date.

In addition, the IRD records record that approximately \$139,856 is owed to IRD for penalties and interest.

The following claims have been received:

CLAIMS RECEIVED	NUMBER	VALUE	DISTRIBUTIONS	¢ IN THE \$
Unsecured Claim	1	232		

7 LIQUIDATORS' FEES

The Company has paid liquidators' fees and disbursements to the end of the reporting period totalling \$13,239 plus GST based on 70.9 hours of work undertaken are detailed in Appendix One.

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

The liquidators estimate that in due course, there will be a significant distribution of approximately 56 to 59 cents in the dollar to preferential creditors.

9 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Collection of the remainder of the business and assets purchase price
- Distributions to creditors

The liquidators have agreed to a payment arrangement that will be completed by mid-2024. The liquidation will then be completed.

10 CONTACT DETAILS

Enquiries should be directed to Iain McLennan on DDI +64 (9) 303 0506 or by email to imclennan@mvp.co.nz.

The Liquidators can be contacted at:

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Iain McLennan
LIQUIDATOR (License No: IP82)

Dated this 12th day of January 2023

Realisations and Distributions		<i>Since initial report</i>
Rococo Hair Limited (In Liquidation)		
27 February 2022 to 26 August 2022		
		26/08/2022
Realisations		
Advance from Shareholders		-
Bank Account Closure		1,464
Cash on Hand		-
Trading on Income		128,400
New Company Income (Funds)		17,032
Interest		-
Sale of Business		7,500
Total Realisations		154,397
Payments		
Liquidators Fees		
Liquidators Fees		12,943
Disbursements		297
Total Liquidators Fees		13,239
Other Costs of Liquidation and Trading On		
Legal Fees		-
Bank fee		9
Debt Collection Costs		-
Wages and PAYE		73,749
New Company Wages & Costs		13,115
IRD Penalty		250
Trading on Landlord costs		10,594
Trading on/ Salvage Costs		17,132
Power		243
Total Costs of Liquidation and Trading On		115,091
Distributions		
Secured Creditor		-
Preferential Wages and Holiday Pay		-
Preferential GST and PAYE		-
Dividends to Unsecured Creditors		-
Total Distributions to Unsecured Creditors		-
Total Payments		128,330
BALANCE HELD		26,066

Appendix One

ROCOCO HAIR LIMITED (IN LIQUIDATION) BREAKDOWN OF LIQUIDATORS REMUNERATION AND EXPENSES FOR THE PERIOD OF THE LIQUIDATION

27 Feb 2022 to 26 Aug 2022

Time costs by Position and Work Type	Hourly rate	Appointment Functions		Asset Realisation		Creditors & Report		Management & Tax		Investigation		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Directors /Partners /Consultants/Liquidators	\$400	3.0	1,080	12.2	3,485	0.8	288					16.0	4,853
Forensic Accountants / Associates	\$300 - \$380	1.5	450	3.9	1,170							5.4	1,620
Insolvency Managers	\$140 - \$280												
Insolvency Accountants	\$140 - \$200	4.3	800			0.5	100	44.7	5,630			49.5	6,530
Secretarial & Clerical Assistants	\$50 - \$170												
Total		8.8	\$2,330	16.1	\$4,655	1.3	\$388	44.7	\$5,630			70.9	\$13,003

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	296.58
Total	\$296.58

Work completed includes but is not limited to:

Appointment	All matters on the commencement of the appointment
Creditors	All communications, claims, reporting, enquiries
Asset Realisations	All matters in respect of the potential sale of assets/business/IP and subsequent sale of assets including trading/debtors
Management & Tax	All matters in respect of statutory reporting and the management of the file
Investigation	Analysis of bank statements, review of historic transactions and accounts to identify avenues for recovery