

## Tawil Holdings Limited (In Receivership & In Liquidation)

### Liquidators' Second Report

### For the period from 14 February 2014 to 13 August 2014

#### 1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Tawil Holdings Limited ("the company" or "Tawil") on 14 February 2014 by the High Court at Auckland.

Kenneth Peter Brown and Paul Thomas Manning of BDO Tauranga Limited were appointed as Receivers of Tawil on 7 February 2014, pursuant to a General Security Agreement that was unregistered at the date of the Liquidators' appointment.

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

This report has been prepared in accordance with section 255(2)(d) of the Act. 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

The liquidators have reviewed the charge under which the receivers were appointed.

The liquidators have assisted the receivers with the realisation of the company's shareholding in a subsidiary company. The funds from the realisation of the shareholding are being held in the receivers trust account pending the outcome of court proceedings in regard to the priority between potentially competing security interests.

The liquidators have also reviewed the proceedings taken by a related company named Wire by Design Limited (In Receivership and In Liquidation) from which Tawil's director has advised Tawil and therefore its creditors may benefit. The liquidators are considering their options.

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**4 INVESTIGATIONS**

The liquidators are continuing their investigations into the books, records and affairs of the company, and are monitoring the progress of various legal proceedings.

**5 CREDITORS' CLAIMS**

**5.1 Secured Creditors**

No unsecured creditors claims have been received.

**5.2 Preferential Creditors**

One preferential claim has been received in respect of the applicant creditor's costs of \$20,649. To date, no payments have been made toward this claim.

**5.3 Unsecured Creditors**

As at the date of preparing this report two unsecured creditors claim forms have been received which total \$498,054. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution.

**6 LIQUIDATORS' FEES**

Liquidators' fees to the date of this report are \$16,892 excluding GST. The fees are based on 64.4 hours of work undertaken as follows:

<b>Work Category</b>	<b>Hours</b>	<b>\$</b>
Appointment functions	27.3	5,314
Asset realisations	7.4	2,672
Creditors' claims, enquiries and reports	16.2	5,536
Management	5.6	708
Taxation	1.5	252
Investigations	6.4	2,410
<b>Total</b>	<b>64.4</b>	<b>\$16,892</b>

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 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. 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 or not there will be a distribution to unsecured creditors. The outcome of unrelated court proceedings may mean that a distribution to creditors is possible.

## 8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Completion of investigation into the affairs of the company
- The results of various legal proceedings.

## 9 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 2 – 3 years.

## 10 CONTACT DETAILS

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

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PERI M FINNIGAN  
LIQUIDATOR

DATED this 13 day of October 2014