



McDonald  
Vague

business recovery partners

**The Fashion Leader Limited  
(In Liquidation)  
Trading Name: Clothing and More**

**Liquidators' First Report**

McDonald Vague Limited  
Level 10, 52 Swanson Street,  
Auckland Central

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**TO: The directors, shareholders, and known creditors of the company**

**1 INTRODUCTION AND APPOINTMENT**

The Fashion Leader Limited ("the company") was placed into liquidation by special resolution of shareholder pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 10 September 2018 at 8:00 a.m. Peri Micaela Finnigan and Iain McLennan, Accredited Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of the company.

**2 RESTRICTIONS**

In preparing this report and its appendices, we have relied on information provided to us. We have not independently verified or audited that information. 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, amend this report to take into account any information existing as at the date of this report that becomes known to us after the date of this report.

**3 INDEPENDENCE**

A declaration of independence is attached at Appendix 2. To the best of the liquidators' knowledge and belief, there are no real or perceived conflicts of interest or risks to our independence.

**4 ATTACHMENTS**

The following documents are attached to this report:

- Appendix 1: Statement of affairs setting out the company's estimated financial position
- Appendix 2: Declaration of independence, relationships, indemnities, and upfront payments
- Appendix 3: Schedule of company creditors' names and addresses
- Appendix 4: Notice of liquidators' decision to dispense with meeting of creditors
- Appendix 5: Notice to creditors to prove debts or claims
- Appendix 6: Unsecured creditor's claim form

## 5 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	20 June 2005
Company number:	1646349
Nature of business:	Clothing Retailer
Trading address:	469 Roscommon Road, Clendon Park, Auckland
Trading name:	Clothing and More
Share capital:	1,000 Shares
Shareholder:	Li
Director:	Li
Related companies:	None known

The company was previously operating from two shops: 245 Great South Road, Papakura and 469 Roscommon Road, Clendon Park.

In early August 2018, judgment was entered against the company's director/shareholder in her personal capacity in relation to a disputed debt. The director has advised that she is not in a position to pay the judgment debt and anticipates that she will be made bankrupt as a result of the judgment debt. In August 2018, the term of the lease of the Papakura shop came to an end and that shop was closed.

The director/shareholder considered that she could no longer continue to operate the company so she placed the company into liquidation. As at the date of liquidation, the Clendon Park shop was still trading.

## 6 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

## 7 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will realise all available assets.

We intend to trade the business at Clendon Park for a short period of time with a view to selling the business and assets as a going concern. If you or any other parties you know might be interested in purchasing the business, please contact us at your earliest opportunity.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for;
- determine whether there are any other avenues of recovery for creditors; and
- determine whether the company's officers have properly carried out their duties.

Following our investigations, we may take recovery or enforcement actions, assessed on a cost/benefit basis.

If there are funds available for distribution to creditors, we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the Companies Register.

## 8 LIABILITIES AND CREDITOR CLAIMS

A schedule of known creditors and their addresses is provided at Appendix 3, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is provided at Appendix 5 and an unsecured creditor's claim form is provided at Appendix 6. If you are an unsecured creditor and you wish to lodge a claim in the company's liquidation, please complete the unsecured creditor's claim form and then return the completed form together with supporting documentation to our offices by 26 October 2018. Creditors that have not made a claim by this date may be excluded from any distribution made.

If you believe that you are a secured creditor, you should not complete the unsecured creditor's claim form. Please contact us and request that a secured creditor's claim form be sent to you.

### 8.1 *Secured Creditors*

As at the date of liquidation, there was one financing statement registered against the company on the Personal Property Securities Register. The financing statement was registered by GDL Developments Limited and describes its security as being over "all present and after acquired personal property" of the company.

If you believe you are a secured creditor and you have not yet contacted the liquidators, you should do so immediately.

#### *Personal Property Securities Act / Reservation of Title*

If you have not registered a financing statement on the PPSR and you believe you have:

- a Purchase Money Security Interest entitling you to any goods in the possession or control of the company and/or proceeds from the realisation of those goods; and/or
- a Reservation of Title over goods;

you should contact us immediately.

### 8.2 *Preferential Creditors*

The director has advised that there are no amounts owing to employees for unpaid wages, holiday pay or redundancy.

The Inland Revenue Department has not yet provided us with a creditor's claim form but we understand that there are amounts due in respect of GST, PAYE and other payroll deductions totalling approximately \$6,000.

### 8.3 *Unsecured Creditors*

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$900,000.

## 9 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the liquidators' proposal to dispense with the meeting of creditors is provided at Appendix 4.

Any creditor or shareholder may, at any time in the course of the liquidation, request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993 for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

## 10 FURTHER INFORMATION

If you are aware of any information that might assist the liquidators, please set the details out in writing, attach any supporting evidence, and send it to us. Please note that it can be difficult for liquidators to act in reliance on information that is not provided in writing.

If any creditor wishes to receive the six-monthly reports by email, as and when they are published, please ensure that an email address is provided on your creditors' claim form.

If you are an unsecured creditor and you do not lodge a claim, you will not be sent a copy of the liquidators' six-monthly reports.

This report and all subsequent reports will be available on the liquidators' website: [www.mvp.co.nz](http://www.mvp.co.nz).

## 11 ESTIMATED DATE OF COMPLETION

The liquidators believe the liquidation may be concluded within 12 months of our appointment.

## 12 CONTACT DETAILS

Enquiries should be directed to Marisa Brugeyroux on DDI (09) 306 3340 or by email to [mbrugeyroux@mvp.co.nz](mailto:mbrugeyroux@mvp.co.nz).

The Liquidators can be contacted at:

McDonald Vague Limited  
Level 10  
52 Swanson Street  
Auckland 1010

McDonald Vague Limited  
P O Box 6092  
Wellesley Street  
Auckland 1141

  
IAIN MCLENNAN  
LIQUIDATOR

DATED this 17<sup>th</sup> day of September 2018

**Appendix 1**

## The Fashion Leader Limited (In Liquidation)

### Statement of Affairs

Statement of Affairs for the above named company as at 10 September 2018 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

<b>ASSETS SPECIFICALLY PLEDGED</b>	<i>Estimated to Realise</i>	<i>Due to Secured Creditor</i>	<i>Deficiency Ranking as Unsecured</i>	<i>Surplus</i>
None known	unknown	unknown	unknown	unknown
<b><i>Estimated surplus / (deficiency) as regards specifically pledged assets</i></b>	<b>unknown</b>	<b>unknown</b>	<b>unknown</b>	<b>unknown</b>
<b>ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>				
			<i>Book Value</i>	<i>Estimated to Realise</i>
Bank account balances			6	6
Stock (at estimated retail value)			65,000	unknown
Plant and equipment			65,000	unknown
<b>Total</b>			<b>130,006</b>	<b>unknown</b>
<b><i>Less preferential creditors</i></b>				
Inland Revenue Department				6,000
<b>Total</b>				<b>6,000</b>
<b><i>Estimated surplus as regards preferential creditors</i></b>				<b>unknown</b>
<b>ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S</b>				
			<i>Book Value</i>	<i>Estimated to Realise</i>
Estimated surplus from assets specifically pledged				unknown
Estimated surplus as regards preferential creditors				unknown
<b>Total</b>			<b>-</b>	<b>unknown</b>
<b>LESS GENERAL SECURITY AGREEMENT HOLDER/S</b>				
To be confirmed (if any)				unknown
<b>Total</b>				<b>unknown</b>
<b><i>Estimated surplus/deficiency as regards secured creditors</i></b>				<b>unknown</b>
Less surplus as regards preferential creditors				unknown
<b>Surplus/(Deficiency)</b>				<b>unknown</b>
<b>AVAILABLE FOR UNSECURED CREDITORS</b>				
				<b>unknown</b>
<b>LESS UNSECURED CREDITORS</b>				
Estimated deficiency as regards Secured Creditors (if any)				unknown
Estimated deficiency as regards General Security (if any)				unknown
Estimated surplus as regards preferential creditors				unknown
Trade creditors				900,000
<b><i>Estimated deficiency as regards unsecured creditors</i></b>				<b>unknown</b>

**Notes:**

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
4. The General Security Agreement holder's claim will continue to accrue interest until fully paid.
5. There is a contingent liability in respect of the lease of the premises.

**Disclaimer of Liability:**

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

## The Fashion Leader Limited (In Liquidation)

### Declaration of Independence, Relationships, Indemnities and Upfront Payments

#### A DECLARATION OF INDEPENDENCE

- (i) The appointed and McDonald Vague Limited have undertaken a proper assessment of the risks to the liquidators' independence prior to accepting appointment, as required by the code of conduct and applicable professional standards. The liquidators have concluded that they are independent and that they have no prior business or professional relationship with the insolvent that poses a real or potential risk to their independence.

#### B DECLARATION OF RELATIONSHIPS

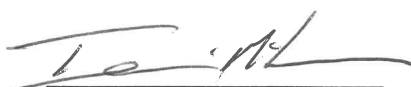
- (ii) The appointed and McDonald Vague Limited have no prior business or professional or personal relationship with known associates of the insolvent or the major secured creditors that create a real or potential risk to their independence.
- (iii) The appointed and McDonald Vague Limited have relationships with the company's known creditors to the following extent:

Name of Creditor	Relationship	Nature of Relationship
ASB Bank	Business Relationship	MVP banks with ASB. MVP deals with the bank on insolvency matters, as required.
Bank of New Zealand	Business Relationship	MVP deals with the bank on insolvency matters, as required.

- (iv) The appointed disclose there are no other relevant relationships to declare.
- (v) The appointed and McDonald Vague Limited have not provided any prior professional services to the insolvent or known associates of the insolvent in the two years prior to our appointment.

#### C DECLARATION OF INDEMNITIES AND UPFRONT PAYMENTS

- (vi) No indemnities or upfront payments were obtained by the liquidators in relation to their appointment.



IAIN MCLENNAN  
LIQUIDATOR

DATED this 17<sup>th</sup> day of September 2018



**Appendix 3**

**The Fashion Leader Limited (In Liquidation)  
Schedule of Creditors' Names and Addresses**

Pursuant to Section 255(2)(c) of the Companies Act 1993

<b>Creditor Names</b>	<b>Address 1</b>	<b>Address 2</b>	<b>Address 3</b>
1 <sup>st</sup> Mart Homeware	13-17 Arwen Place	East Tamaki	Auckland 2013
Accident Compensation Corporation	P O Box 3248	WELLINGTON 6140	
AHL	10B STONEDON DRIVE	East Tamaki	Auckland
APM Commercial Property Ltd	P. O. Box 28 510	Remuera	Auckland 1541
ASB Bank	Level 2, ASB North Wharf	12 Jellicoe Street	Auckland
Bank of New Zealand	Level 4	80 Queen Street	Auckland 1010
Cinevan International Ltd	9 Greenmount Drive	East Tamaki	Auckland
Defi Co Ltd	6 Andromeda Crescent	East Tamaki	Auckland
Flunking Trading Ltd	no address found		
GDL Developments Limited	PO BOX 72-143	PAPAKURA	AUCKLAND
Golden World Ltd	5 Fair Sea Place	Lynfield	Auckland 1042
Greenstar Wholesale Ltd	84 Harris Road	East Tamaki	Auckland 2013
GW Trading (NZ) Limited	5 Offenhauser Drive	East Tamaki	Auckland
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
LJL Enterprises	PO Box 259298	Botany	Auckland 2141
LPM Imports Limited	PO Box 251346	Pakuranga	Auckland 2140
New Edition	137 Station Road	Otahuhu 1062	
New World Market Ltd	11 Heywood Crescent	Epsom	Auckland 1023
Season Trading Ltd	no address found		
Trendline	60 The Esplanade	Eastern Beach	Auckland 2012
Weymouth Property Management Ltd	PO Box 37166	Parnell	Auckland 1151
Worthy Enterprises (NZ) Ltd	PO Box 163155	Lynfield	Auckland 1443
YA WEN INT'L Ltd	no address found		
Zhang's Ltd	6 Monash Place	Dannemora	Auckland

## Appendix 4

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### Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of The Fashion Leader Limited (In Liquidation) and the likely result of the liquidation, the liquidators propose to dispense with calling a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Marisa Brugeyroux of this office on DDI (09) 306 3340 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice must also state the reason(s) you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.



IAIN MCLENNAN  
LIQUIDATOR

DATED this 17<sup>th</sup> day of September 2018



## Appendix 5

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IN THE MATTER of                    The Companies Act 1993

and

IN THE MATTER of                    The Fashion Leader Limited (In Liquidation)  
Trading Name: Clothing and More

### Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of The Fashion Leader Limited (In Liquidation) ("the company"), fix 26 October 2018, as the day on or before which the company's creditors are to make their claims and establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.

  
IAIN MCLENNAN  
LIQUIDATOR

DATED this  day of September 2018

#### ADDRESS OF LIQUIDATOR

McDonald Vague Limited  
Level 10, 52 Swanson Street  
AUCKLAND 1010

PO Box 6092  
Wellesley Street  
AUCKLAND 1141

Telephone: (09) 303 0506  
Facsimile: (09) 303 0508  
Website: [www.mvp.co.nz](http://www.mvp.co.nz)

**DATE OF LIQUIDATION: 10 September 2018**



The Insolvency & Business Recovery Specialists

McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.  
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

If the creditor owes money to the company, please give full details.

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

**CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.**

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

**PREFERENTIAL CLAIMANTS ONLY**

**Guideline**

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$20,340 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?  
(eg. employee, GST, etc) \_\_\_\_\_
2. Details of your claim: \_\_\_\_\_  
\_\_\_\_\_

If applicable please record here your GST Registration number: \_\_\_\_\_  
and total GST included in your tax invoice: \$ \_\_\_\_\_