



McDonald  
Vague

business recovery partners

# The Learning Ladder Limited (In Receivership)

## Receivers' Final Report

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)

### 1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, CAANZ Accredited Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers and managers of all present and after acquired personal property of The Learning Ladder Limited ("the company") on 9 March 2018. The receivers and managers were appointed under the powers contained within a General Security Agreement dated 25 June 2015 in favour of Red 9 Limited.

Pursuant to section 24 of the Receiverships Act 1993 ("the Act"), the receivers herewith report to all creditors and shareholders that the receivership of the company has been completed. This final report should be read in conjunction with the receivers' previous reports.

### 2 RESTRICTIONS

This report has been prepared in accordance with Section 24 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 RECEIVERSHIP DURING THE PREVIOUS TWO MONTHS

The business was sold as a going concern at a value greater than the estimated market valuation provided by ABC Business Brokers and an expert in the sale of Childcare learning centres in Auckland.

#### *Asset Realisations*

##### **3.1 Early Childhood Centre**

The centre was sold for \$470,000. This comprised all unencumbered assets, stock, plant and equipment, and goodwill (database, tradenames, licenses, copyright, website).

The receivers contacted the Ministry of Education on appointment and arranged a transfer of Ministry funding to the purchaser and a temporary licence until a new licence could be issued. This was approved up-front so the new business could operate following purchase. The new owner was approved and funds pre-paid for the March, April, May and June 2018 period were transferred.

### **3.2 Debtors**

At the date of appointment, the debtors' ledger was recorded to be \$5,053. After discussions with the manager and looking at aging of certain balances, the receivers accepted a recommendation to write off certain balances to reduce the ledger to \$4,210, including GST (\$3,660 excluding GST).

Many of the debtors were on a "drip feed" basis so it was agreed for a discount, that the receivers would keep the moneys banked into the company account (\$3,270) on the weekend after the sale and assign the ledger for collection by the purchaser over time. The receivers have returned GST on this transaction to Inland Revenue.

### **3.3 Parent Deposits**

The receivers received \$952 on the day of their appointment. These moneys have been applied to the costs of the receivership.

## **4 CREDITORS' CLAIMS**

### **4.1 Secured Creditor**

At the date of this report the amounts still owing to our appointer were as follows:

Amount owing at the commencement of receivership being 9 March 2018	\$ 388,000
Less distributions from receiver	<u>388,000</u>
Balance outstanding	<u>\$Nil</u>

### **4.2 Preferential Creditors**

The preferential holiday claims for staff transferring across were deducted from the sale price. The purchaser has taken over this liability.

**4.2.1** The receivers calculated and paid the preferential GST and PAYE owing for the period to 9 March 2018. Obligations incurred for GST and PAAAYE after this date have been paid as costs of the receivership.

**4.2.2** The wages owing to all staff at the date of receivership (excluding the directors who were not preferential in accordance with the 7<sup>th</sup> Schedule of the Companies Act 1993) were paid in full.

### **4.3 Unsecured Creditors**

We have received five unsecured creditors claim forms which total \$56,855. There are no further assets in the company.

There is no expectation of any payment for the unsecured creditors. The claims exclude the directors loan to the company and some small trade balances.

The Receivers are not responsible for the administration of unsecured creditor claims however, it appears unlikely that there will be surplus funds available for unsecured creditors.

## 5 COMPLETION OF RECEIVERSHIP

The receivership of the company is now complete. A statement of realisations and distributions is **attached**. All known assets have been disclaimed or realised, and all proceeds of realisation have been distributed. The secured creditor has been repaid in full. The company is now passed back to the directors control. The company has no means to pay any further creditors and should commence a strike off process. The directors/shareholders comprise the large portion of debt owing.

## 6 PREVIOUS REPORT

Creditors are advised that the first report relating to the receivership is available on the receivers' website [www.mvp.co.nz](http://www.mvp.co.nz).

## 7 CONTACT DETAILS

Enquiries should be directed to the writer or Keaton Pronk on (09) 969 1518, or by email to [kpronk@mvp.co.nz](mailto:kpronk@mvp.co.nz).

The Receivers can be contacted at:

McDonald Vague Limited  
Level 10, 52 Swanson Street, Auckland

PO Box 6092, Wellesley Street, Auckland 1141

  
PERI M FINNIGAN  
RECEIVER

DATED this 10<sup>th</sup> day of May 2018

# Realisations and Distributions

## The Learning Ladder Limited (In Receivership) 9 March 2018 to 10 May 2018

Realisations	Cash Received \$
Advance from Shareholders	1,500
Bank Account Closure – Ministry of Education Funds	88,899
Bank Account Closure – Parent Funds 9 March 2018	925
Debtor Receipts	3,270
Sale of Assets	470,000
<b>Total Realisations</b>	<b>\$564,594</b>
<b>Payments</b>	
<b>Receivers Fees</b>	
Receivers Fees	27,209
Disbursements	1,516
<b>Total Receivers Fees</b>	<b>\$28,725</b>
<b>Other Costs of Receivership</b>	
Holiday Pay deducted from Sale Price	1,807
Legal Fees	3,424
Ministry of Education Funding Transferred (Trust Funds)	97,227
Valuation	500
Locksmith	116
GST Adjustment (Prior Receivership Period)	9,607
<b>Total Costs of Receivership</b>	<b>\$112,681</b>
<b>Distributions</b>	
Secured Creditor – Red 9 Limited	388,000
Preferential Wages and Holiday Pay	19,488
Preferential GST and PAYE	15,700
<b>Total Distributions to Secured and Preferential Creditors</b>	<b>\$423,188</b>
<b>Total Payments</b>	<b>\$564,594</b>
<b>BALANCE HELD</b>	<b>\$Nil</b>

Note: the above figures are GST exclusive