



McDonald
Vague

business recovery partners

The Learning Ladder Limited (In Receivership)

Receivers' First Report

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers and managers of all present and after acquired personal property of the Company, the meaning ascribed to that term in the General Security Agreement 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.

2 RESTRICTIONS

This report has been prepared in accordance with Section 23 of the Receiverships Act 1993 ("the Act"). In preparing this report and its appendices we have relied upon 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 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 ATTACHMENTS

The following documents are attached to this report:

Appendix 1: Particulars of Assets and Liabilities

Appendix 2: Schedule of secured creditors' names and addresses

4 EVENTS LEADING UP TO OUR APPOINTMENT

The appointment arose following the company's default in meeting a demand for full repayment from the secured lender. Prior to our appointment there had been an ongoing shareholder dispute that was adversely affecting the business and causing a risk to the secured creditor's investment.

5 TRADING ON

The company traded as an early childhood learning centre in Howick. Upon our appointment the business was traded for a short time in order to facilitate a sale which was finalised on 9th March 2018.

6 PARTICULARS OF ASSETS AND LIABILITIES

Particulars of the Assets and of the Debts and Liabilities of the Company as at the date of our appointment are provided at Appendix 1.

7 ASSETS COMPRISING THE PROPERTY IN RECEIVERSHIP

The business was sold as a going concern for \$470,000, at a value greater than an independent market valuation.

7.1 Furniture, Fittings, Plant and Equipment

The company held Furniture, Fittings, Plant and Equipment with a book value of \$86,761 at the date of our appointment. These were sold for \$90,000 as part of the sale of business.

7.2 Stock

The business held stock of minimal value as at the date of our appointment. It was agreed the purchase price included the stock.

7.3 Intangible Assets

The Goodwill and Intellectual Property includes without limitation the database, trade names, online presence, licences, trademarks and copyrights of the business. The value attributed to the intangible assets was \$380,000.

8 PROPERTY DISPOSED OF TO DATE

All assets of the business outlined under point 7 above have been realised for \$470,000. Refer to Appendix 1 for further details. The receivers have also recovered moneys held in the bank account.

9 LIABILITIES AND CREDITOR CLAIMS

9.1 Secured Creditors

At the date of our appointment the amounts due to our appointer (including accrued interest) were as follows:

Term loan accounts, accrued interest and overdue principal at 9 March 2018	\$ 388,000
Total	<u>\$388,000</u>

A schedule of secured creditors and their addresses is provided at Appendix 2, as required by Section 23(1)(c) of the Act.

10.2 Preferential Creditors

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 (\$6,000), PAYE (\$18,000) and other payroll deductions (\$19,000).

10.3 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 \$82,480. This comprises shareholder current accounts, a shareholder loan, and director unpaid wages and holiday pay.

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

11 INFORMATION PROVIDED BY THE COMPANY

The directors of the company co-operated fully in making available the information required by the receiver to complete this report.

12 FURTHER INFORMATION

If you are aware of any information that would assist the Receivers, please set the details out in writing, attach any supporting evidence and send it to us. Please note that the Receivers are more able to act on written information.

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 the attached Confirmation of Amount Owing form. This report and all subsequent reports will be available on the Receivers' website at www.mvp.co.nz

13 ESTIMATED DATE OF COMPLETION

The Receivers believe the receivership may be concluded within two months.

14 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on (09) 969 1518 or by email to kpronk@mvp.co.nz.

The Receivers can be contacted at:

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PO Box 6092
Wellesley Street
Auckland 1141


PERI M FINNIGAN
RECEIVER

DATED this 23rd day of March 2018

The Learning Ladder Limited (In Receivership)
Particulars of the Assets and of the Debts and Liabilities
as at the Date of Appointment of Receivers
Being 9 March 2018

ASSETS	Book Value	Realised
Bank Account	88,889	88,889
Furniture, Fittings, Plant and Equipment	86,761	90,000
Stock	-	-
Intangible Assets	-	380,000
Total	\$175,650	\$558,889
SECURED CREDITORS		Claims
Red 9 Limited		388,000
Ministry of Education Funding		100,497
		<u>\$488,497</u>
PREFERENTIAL CREDITORS		
Employees		19,488
Inland Revenue Department		21,128
Total		<u>\$40,616</u>
UNSECURED CREDITORS		
Trade Creditors		12,000
Related Party Debts - Other		18,420
Shareholder Current Accounts		43,368
Director's Loan		8,692
Total		<u>\$82,480</u>
Total Amount Outstanding		<u><u>\$611,593</u></u>
Estimated Deficiency As Regards All Creditors		<u><u>\$52,704</u></u>

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the receivership.

Disclaimer of Liability:

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



Appendix 2

The Learning Ladder Limited (In Receivership) Schedule of Secured Creditors' Names and Addresses

Pursuant to Section 23(1)(c) of the Receiverships Act 1993

Creditor Name	Address 1	Address 2	Address 3
Red 9 Limited	red9limited@gmail.com		
Joanne young	jlyoung@xtra.co.nz		
Dayle Walker	169 Moore Street	Howick	Auckland