



The Insolvency & Business Recovery Specialists

**THE MEDIA COUNSEL LIMITED
(IN LIQUIDATION)**

LIQUIDATORS SEVENTH REPORT
Pursuant to Section 255(2)(d)
of the Companies Act 1993

**For the Period from 23 October 2012
to 22 April 2013**

1. PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION

The liquidators report herewith on the progress made in the liquidation of The Media Counsel Limited. Included in this report is the liquidators' Statement of Realisations and Distributions to 22 April 2013.

This seventh report to creditors follows the previous reports and should be read in conjunction with all previous reports. This report is being sent to all shareholders and to all creditors who have filed a claim in the liquidation.

2. REALISATION OF COMPANY ASSETS

2.1 GST Refunds (to 31 December 2009)

The liquidators have concluded the process of assessing the true GST refund. We filed the GST return and received a refund.

2.2 Accounts Receivable (as at 31 December 2009)

The liquidators continue to deal with the issues surrounding ownership of debtors' funds, so funds are held pending finalisation of this assessment.

2.3 Furniture and Fittings

The furniture and fittings have been realised. There is still some computer hardware to sell, however this has been retained to assist investigations.

2.4 Litigation in Progress

We are assessing the cost benefit of a number of issues.

3. CREDITORS' CLAIMS

3.1 Secured Creditors

There are no secured creditors.

3.2 Preferential Creditors

Total preferential claims for wages or salary, holiday pay and redundancy amount to \$236,069.

The Inland Revenue Department has advised that it has a preferential claim for \$44,883 in respect of PAYE and GST. Following an assessment of the likely cost of challenging the Inland Revenue Department's right to those funds, the liquidators decided the employee creditors would not receive any benefit from the action if taken. Consequently we record that the Inland Revenue Department has received a distribution for this amount.

3.3 Unsecured Creditors

As at the date of preparing this report 97 unsecured creditors' claims have been received which total \$2,198,222. 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 they are in a position to pay a distribution, except where the assessment of creditors' claims will assist in advancing the liquidators investigations.

4. INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. The liquidators have concluded that the reason for the company's failure lies solely with the director's action of removing funds from the company to fund her lifestyle.

The liquidators have provided a confidential report to the Serious Fraud Office (SFO). We have also provided additional information on request. At the time of signing this report the SFO have confirmed that charges have been laid against Glenda Wynyard.

5. SHAREHOLDER'S CURRENT ACCOUNT

Glenda Wynyard was adjudicated bankrupt on 19 August 2010. The liquidators have filed an unsecured creditors' claim with the Official Assignee. The liquidators are also pursuing other avenues against trusts and other parties that benefited directly from the funds advanced by the company.

6. WORK IN PROGRESS

The company also overstated the work in progress at the time of liquidation. No work in progress has been commenced or completed by the liquidator.

7. FUNDS / LIKELY OUTCOME

Given the limited recovery options the liquidators do not anticipate paying any significant distribution to unsecured creditors.

8. LIQUIDATORS' FEES

Liquidators' fees incurred to the date of this report are \$105,408 excluding GST. The fees are based on 460 hours of work undertaken as follows:-

Work Category	\$
• Commencement	\$8,105
• Creditors Claims	\$3,848
• Accounts Receivable and Work In Progress	\$7,402
• GST Refunds and Investigations	\$25,499
• Other Asset Realisations	\$4,144
• Investigations	\$30,671
• Management and Administration	\$11,656
• Disbursements Including Legal Fees	\$14,083
Total	\$105,408

9. MATTERS DELAYING COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- All work in progress
- Finalise debtors collection
- Complete the various recovery actions.

10. CONCLUSION

Based on the above the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators as soon as practicable.

Any queries can be directed to Boris van Delden of these offices on DDI (09) 306 3342 or by visiting our website at www.mvp.co.nz.

Yours faithfully
for THE MEDIA COUNSEL LIMITED
(IN LIQUIDATION)


IAIN McLENNAN
LIQUIDATOR

DATED this *BTR* day of June 2013

IMcL/BVD/gck/220
The Media\02 Creditors\Reports\4101 Seventh Report

Number of Company: 1743976
 Name of Company: THE MEDIA COUNSEL LIMITED (IN LIQUIDATION)
 Subject: LIQUIDATORS STATEMENT OF REALISATIONS AND DISTRIBUTIONS FOR THE PERIOD 23 OCTOBER 2010 TO 22 APRIL 2013

	Cash Received
CASH HAS BEEN RECEIVED AS FOLLOWS:	\$
Advance from McDonald Vague	90
Debtors (refer 2.2 above)	26,939
Interest	956
GST Refund	93,914
Sale of Assets	2,548
TOTAL REALISATIONS	<u>\$124,447</u>
 CASH HAS BEEN PAID AS FOLLOWS:	
Costs Charges & Expenses of Liquidation	
Liquidators' Fees	72,582
Bank Fees	161
Repairs and Maintenance – Rubbish Removal	150
RWT	299
Distribution to IRD by way of Set-off	44,883
TOTAL DISTRIBUTIONS	<u>\$118,075</u>
 TOTAL REALISATIONS	124,447
LESS TOTAL DISTRIBUTIONS	<u>118,075</u>
 BALANCE HELD	<u>\$6,372</u>
 BALANCE REPRESENTED BY:	
ASB Bank Limited – Interest Bearing Trust Account	3,185
GST Suspense Account	3,187
TOTAL	<u>\$6,372</u>

Note: The above figures are GST exclusive


 IAIN McLENNAN
 LIQUIDATOR

Dated this 13th day of June 2013