



Topline International Limited (In Liquidation)

Liquidators' Sixth Report for the period from 5 March 2021 to 4 September 2021

McDonald Vague Limited
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1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Topline International Limited ("the company") on 5 March 2019 by resolution of the shareholders.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This sixth report should be read in conjunction with the liquidators' previous reports. 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

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

Asset Realisations

3.1 Cash at Bank

(Statement of Affairs: \$50,198)

Balances in bank accounts recovered totalled \$82,076 as at the date of liquidation, after bank deduction of \$19,476 for credit card balances.

3.2 Debtors

(Statement of Affairs: \$Nil)

The company had no collectable debtors.

3.3 Inventory **(Statement of Affairs: \$300,000)**

A stocktake of inventory was performed after liquidation. An inventory sale process commenced. After paying all of the costs of sale of the inventory, including paying GST on sales in New Zealand and Australia respectively, the net realisation from inventory was \$243,191.

3.4 Fixed Assets **(Statement of Affairs: \$Unknown)**

The realisable fixed assets comprised a small amount of old furniture in a storage facility, which we decided were uneconomic to remove and sell after taking into account likely costs.

3.5 Intellectual Property, Trademarks, Database and Goodwill **(Statement of Affairs: \$Unknown)**

Topline was part of a relatively complex ownership structure. As at the date of liquidation its main asset was the retail customer database, and a controlled, but revocable ability to sell branded product through that database. We sold it at above valuation, on a time payment basis. Further funds have been secured from the sale and a final reconciliation is underway.

4 INVESTIGATIONS

The liquidators continue to consider if there are other recovery avenues on a cost benefit basis.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim of \$484,357 has been repaid in full.

5.2 Preferential Creditors

Preferential claims for employees and the IRD have been paid in full.

5.3 Unsecured Creditors

As at the date of preparing this report 11 unsecured creditors claim forms have been received totalling \$450,941. The company also has a fine that is partly unpaid but that, according to the Companies Act 1993, is not a creditor in the liquidation.

The liquidators have commenced the process of reviewing creditor claims with a view to either admit or reject them.

6 FUNDS / LIKELY OUTCOME

We expect that as funds flow in from the sale of the database, unsecured creditors will receive a distribution.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Collection of Final tranche Sales Proceeds
- Creditor claims review and Distribution
- Finalisation

8 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 two years.

9 CONTACT DETAILS

Enquiries should be directed to Iain McLennan on DDI (09) 303 0506 or by email to imclennan@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 33 Federal Street, Auckland 1010

P O Box 6092, Victoria Street West, Auckland 1142



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IAIN McLENNAN (Licence No: IP82)
LIQUIDATOR

DATED this 12th day of October 2021

Realisations and Distributions

Topline International Limited (In Liquidation) 5 March 2019 to 4 September 2021

Realisations	As Per Statement of Affairs \$	Cash Received \$
Bank Account Closures – ANZ, BNZ, Westpac	50,198	82,076
Debtors	Unknown	Nil
Inventory Sales	300,000	618,802
Sale of Fixed Assets	Unknown	Nil
Intellectual Property, Trademarks, Database and Goodwill	Unknown	406,250
Income Tax Refund re 31 March 2018		55
Interest		115
Pre liquidation GST Refund	-	8,398
Total Realisations	\$350,198	\$1,115,716
Payments		
Liquidators Fees		
Liquidators Fees		63,357
Disbursements		1,953
Total Liquidators Fees		\$65,309
Other Costs of Liquidation and Trading On		
Accounting Services		3,090
Distribution Costs		22,857
International Freight Costs		60,444
Inbound Service Fees		2,070
Inbound Daily Service Fees		13,050
Outbound Service Fees		50,807
Management Fees		25,219
Marketing Costs		5,708
Product		38,464
Product Refund		835
Residents Withholding Tax on Interest		31
Valuation and other Asset Sale Costs		3,979
Telephone and Tolls		2,146
Trading on Suppliers		1,357
Wages and PAYE		47,134
Bank Fees – Merchant Service Fees		4,219
ACC Levies		130
Total Costs of Liquidation and Trading On		\$281,539

Distributions	
Secured Creditor	484,357
Statutory Set-Offs – Bank	19,476
Salvage Payments to Realise Inventory	98,210
Preferential Wages and Holiday Pay	11,121
Preferential GST and PAYE	4,176
Total Distributions to Creditors	\$617,340

Total Payments	\$964,189
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BALANCE HELD	\$151,527
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Note: the above figures are GST exclusive