



McDonald
Vague

business recovery partners

Tree Ferns (New Zealand) Limited (In Liquidation)

Liquidators' Ninth Report (for the period from 9 May 2016 to 8 November 2016)

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Tree Ferns (New Zealand) Limited ("the company") on 9 November 2012 by the High Court at Auckland.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This ninth 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

This report has been prepared in accordance with section 255(2)(d) 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 LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Debtors

Statement of Affairs \$Unknown

At the date of liquidation, the company had two debtors with a book value of \$24,790. Demand letters were sent to both debtors. Each debt was disputed and having regard to the disputes raised, both debts have been written off.

3.2 Stock

Statement of Affairs \$Unknown

The company was holding a quantity of pre-packaged and unfinished stock at the commencement of the liquidation.

The stock was offered to the existing clients of the business, but as they are based overseas, the quantity of stock available did not justify the shipping costs. No local market for the stock could be identified and the inability to negotiate a favourable rent agreement meant the best course of action was to disclaim the stock.

3.3 Fixed Assets

Statement of Affairs \$5,000

The fixed assets of the company were secured by way of a General Security Agreement. After viewing the assets and having regard to their location, it was established that the cost of transport and realisation expenses would likely exceed any recovery and the assets were subsequently disclaimed in favour of the General Security Agreement holder.

3.4 Motor Vehicles

Statement of Affairs Nil

As anticipated, there was no equity available for creditors in the vehicle. Therefore, it was returned to the secured party who eventually sold the vehicle at a loss. They have since filed a claim in the liquidation.

4 INVESTIGATIONS

As recorded in the Liquidators' Fourth Report, the Liquidators were negotiating with the director in relation to the overdrawn current account. An agreement was reached on the amount and the director started to make small payments in reduction of the agreed amount. He had undertaken to increase the rate of payment and to make a lump sum payment in full and final settlement when his personal financial situation allowed that to happen.

Payments of the small amounts ceased in late 2015 and the liquidators are currently in discussions with the director over settlement of the debt.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A General Security Agreement holder has advised that they have a claim in the liquidation for \$53,230. Interest continues to accrue on this amount.

5.2 Preferential Creditors

The liquidators received a claim in respect to the applicant creditors' Court awarded costs in the amount of \$4,030.

The Inland Revenue Department has advised that it has a preferential claim for \$46,515 in respect of PAYE and GST.

To date no payment has been made in respect of these claims.

5.3 Unsecured Creditors

As at the date of preparing this report eleven unsecured creditors' claims have been received which total \$81,108. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims unless we are in a position to pay a distribution.

6 LIQUIDATORS' FEES

Liquidators' fees in a Court ordered liquidation is to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

7 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the General Security Agreement holder. Therefore, at this stage the liquidator does not anticipate paying a distribution to unsecured creditors

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matter is outstanding:

- Collection of Shareholders overdrawn current account.

9 ESTIMATED DATE OF COMPLETION

The Liquidators are unable to estimate when the liquidation will be completed as this is dependent on the rate at which the director makes payment of the settlement figure.

10 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on (07) 838 0908 or by email to CSanderson@mvp.co.nz.

The Liquidators can be contacted at:

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BORIS VAN DELDEN
LIQUIDATOR

DATED this 11th day of November 2016

BVD/CRS/gck/220
Tree Ferns/4101 Ninth Report

Realisations and Distributions

Tree Ferns (New Zealand) Limited (In Liquidation) From 9 November 2012 to 8 November 2016

Realisations	Cash Received \$
Current Account Settlement	975
Interest	1
Total Realisations	\$976
Payments	
Liquidators Fees	
Liquidators Fees	956
Disbursements	13
Total Liquidators Fees	\$969
Total Payments	\$969
BALANCE HELD	\$9

Note: the above figures are GST exclusive