



The Insolvency & Business Recovery Specialists

Vienna Group Limited (In Liquidation)

Liquidators' Interim Report For the period from 23 July 2015 to 24 August 2015

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Vienna Group Limited ("the company") on 23 July 2015.

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

(Statement of Affairs: \$125,000)

The total ledger at appointment was \$226,317, less \$14,065 not processed but received into the pre-liquidation account. The liquidators have collected \$61,490 from pre-liquidation debtors and \$940 plus GST from post liquidation sales. The balance remaining is due by end of month. A sum of \$143,976 is still to be collected. A sum of \$2,437 was received in error and refunded.

Since liquidation, the liquidators have sold a bulk of stock to Beer Labels Limited under a sale agreement (refer 3.4 Sale of Business section below). This realisation is recorded under a separate section. The balance of stocks were close to expiry and have been sold to liquor stores and smaller supermarkets for \$44,171 plus GST. Expired stock was given to certain stores who purchased other stocks to avoid the liquidators incurring disposal costs.

McDONALD VAGUE LIMITED

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3.2 Fixed Assets and Goodwill **(Statement of Affairs: \$12,000)**

The furniture and fixtures and miscellaneous assets were sold for \$19,000. The goodwill was sold for \$2,000. The liquidators were satisfied that there was limited goodwill value as there was no ability to assign licenses, and the purchaser did not value the name "Vienna".

3.3 Inventory **(Statement of Affairs: \$250,000)**

The bulk stocks were sold to Beer Labels Limited for \$222,588. This comprises:-

1. Beer Labels 5,742 (80 pallets)	185,133
2. Stock received on liquidation (360 Gosser, 432 Puntigamer, 648 Kaiser)	24,479
3. Dettinger stock not received at liquidation (702 Pilsener, 648 Lagers, 108 Wheat)	12,976
	\$222,588

The stock on water stock value (at 3.33) was adjusted for the expected customs /shipping agent costs of approximately \$40,000. This was a cost agreed to be borne fully by the purchaser and otherwise would have been a payment due by the liquidator before realising this stock.

3.4 Sale of Business

The liquidators recognised the value to be gained in sale of business was with the director as he personally held the key supplier relationships in Austria and Germany. He had worked for one of the breweries overseas and had personal relationships which were not transferable. The ability to transfer the supply agreements was therefore very poor. Advantage was to be gained by a bulk sale to a new entity that employed the director. The new company has not taken over the name of Vienna Group Limited but has been granted permission to sell the remaining stocks that have pre-printed Vienna labels. The sale agreement required \$100,000 upfront and the balance of purchase price paid in monthly instalments of \$20,000 per month commencing 20 August 2015. The total sale price is \$234,589. The liquidators have received \$120,000 to date.

3.5 Bank Account **(Statement of Affairs: \$159,152)**

The liquidators recovered \$150,296 following liquidation.

4 INVESTIGATIONS

The liquidators have commenced their investigations into the books, records and affairs of the company. There is a matter that has come to the knowledge of the liquidators that if pursued may eventuate in a benefit to preferential creditors. Any recovery will require a funded legal action against a third party and depends on the facts and background.

Further details will be provided in subsequent reports. The matter is confidential at this stage.

The liquidators intend to meet with the major creditor in respect to the matter.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

A secured claim has been received from a private security holder in respect of a General Security Agreement for the amount of \$105,564. Interest continues to accrue on this amount.

There was one specific security holder at date of liquidation for stock supplied. No claim had yet been lodged. The sum is immaterial. The liquidators do not hold stock for this supplier in any case.

5.2 *Preferential Creditors*

The Inland Revenue Department has submitted a preferential claim for \$5,197. No dividend has been paid to preferential creditors at the date of this report.

New Zealand Customs are a preferential creditor for unpaid duty and levies for \$2,335,896. This claim relates to a reassessment of customs duty over a period since trade commenced. The duty calculations were incorrect and led to duty being underpaid without the knowledge of the company for a long period of time. The company relied on a broker to calculate the duty and levies due.

5.3 *Unsecured Creditors*

At the date of preparing this report no unsecured creditor claim forms have been received. It is not expected there will be any distribution for unsecured creditors.

6 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the general security agreement holder and preferential creditors. Therefore, at this stage the liquidator does not anticipate paying a distribution to unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Investigation into Customs duty under payment
- Collection of debtors – Pre and Post liquidation
- Distribution to preferential creditors

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 one year.

9 CONTACT DETAILS

Enquiries should be directed to the writer on DDI (09) 303 9519 or by email to pfinnigan@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this *26* day of August 2015

Realisations and Distributions

Vienna Group Limited (In Liquidation) 23 July 2015 to 24 August 2015

Realisations	As Per Statement of Affairs \$	Cash Received \$
Bank Account Closure	159,597	150,296
Debtors	125,000	61,490
Debtors – Pre-Liquidation		5,940
Interest	-	62
Sale of Assets - Stocks, Furniture and Fixtures, Goodwill	262,000-	120,000
Total Realisations	\$546,597	\$337,788
Payments		
Liquidators Fees		
Liquidators Fees		5,995
Disbursements		Nil
Total Liquidators Fees		\$5,995
Other Costs of Liquidation		
Bank Fees		12
Freight and Shipping Costs		6,085
Debtor Re-imburement		2,120
Residents Withholding Tax on Interest		17
Total Costs of Liquidation		\$8,234
Total Payments		\$14,229
BALANCE HELD		\$323,559

Note: the above figures are GST exclusive