



McDonald
Vague

business recovery partners

Vienna Group Limited (In Liquidation)

Liquidators' Ninth Report (for the period from 23 January 2019 to 22 July 2019)

McDonald Vague Limited

Level 10, 52 Swanson Street,
Auckland Central

PO Box 6092, Wellesley Street,
Auckland 1141, New Zealand

p: 09 303 0506

f: 09 303 0508

e: insol@mvp.co.nz

www.mvp.co.nz

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 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

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 \$226,170, less \$15,472 not processed but received into the pre-liquidation account. Of the above ledger total, \$66,650.19 consisted of an accumulation of rebates due to a major customer which had not been processed in the company's financial records.

We have collected \$137,344 from pre-liquidation debtors and further funds from post liquidation sales of \$36,903. We have collected all recoverable pre-liquidation debts of the company.

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 net of approximately \$40,000 of costs to complete importation.

The balance of stocks which were close to expiry have been sold to liquor stores and smaller supermarkets for \$41,508 plus GST.

In order to avoid incurring disposal costs, some redundant stock was given at no charge to stores who made other purchases.

3.4 Sale of Business

The liquidators recognised the value to be gained in the sale of the 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 \$220,000 to date.

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

The liquidators recovered \$150,296 following liquidation.

3.6 Interest Bearing Trust Account

Funds held in an interest-bearing account have accrued net interest (interest less resident withholding tax) of \$23,108 at the date of this report.

4 INVESTIGATIONS

The liquidators have examined the company director and his wife. We have also interviewed staff and examined and extracted information from the data processing system at the company's logistics agent.

Amongst other responsibilities, the agent's brokers were tasked with calculating and declaring the import duty payable on beer imported by the company. At the time of writing this report we are in the process of finalising demands related to recovery actions.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

A secured claim has been received for funds advanced by a person related to the company in respect of a General Security Agreement for the amount of \$105,564. Interest continues to accrue on this amount.

There was one other registered specific security holder at date of liquidation. No claim has yet been lodged and no stock from the supplier concerned was held by the company at the date of liquidation.

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 for a long period of time.

5.3 *Unsecured Creditors*

At the date of preparing this report three unsecured creditor claims totalling \$139 have been received.

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 COMPLETION OF THE LIQUIDATION

The following matters are to be completed:

- Potential recovery action
- Distribution to preferential creditors

8 ESTIMATED DATE OF COMPLETION

It is impracticable at this stage to estimate a date for completion of the liquidation.

9 CONTACT DETAILS

Enquiries should be directed to Dalwyn Whisken on DDI (09) 969 5336 or by email to dwhisken@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10
52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141


PERI M FINNIGAN
LIQUIDATOR

DATED this 20 day of September 2019