

## Vienna Group Limited (In Liquidation)

### Liquidators' Second Report For the period from 23 July 2015 to 22 January 2016

#### 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 second 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. The liquidators have collected \$141,383 from pre-liquidation debtors and further funds from post liquidation sales. A sum of \$50,206 has been written off to date. The balance remaining relates to two customers and is being investigated. There may be a further write off. A sum of \$143,976 is still to be collected. A sum of \$3,254 has been transferred to the post liquidation receipts.

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 \$41,508 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 \$220,000 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. The liquidators have recovered the books and records of certain suppliers of services for further investigation.

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](mailto:pfinnigan@mvp.co.nz).

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PER M FINNIGAN  
LIQUIDATOR

DATED this 25<sup>th</sup> day of January 2016

# Realisations and Distributions

## Vienna Group Limited (In Liquidation) 23 July 2015 to 22 January 2016

Realisations	As Per Statement of Affairs \$	Cash Received \$
Bank Account Closure	159,597	150,296
Debtors	125,000	88,813
Debtors – Pre-liquidation	-	70,845
Interest	-	3,975
Sale of Assets - Stocks, Furniture and Fixtures, Goodwill	262,000	220,000
<b>Total Realisations</b>	<b>\$546,597</b>	<b>\$533,929</b>
<b>Payments</b>		
<b>Liquidators Fees</b>		
Liquidators Fees		33,790
Disbursements		514
<b>Total Liquidators Fees</b>		<b>\$34,304</b>
<b>Other Costs of Liquidation</b>		
Bank Fees		20
Consulting Fees		944
Freight and Shipping Costs		12,497
Debt Management Fee		1,430
Debtor Re-imburement		2,120
Residents Withholding Tax on Interest		1,113
<b>Total Costs of Liquidation</b>		<b>\$18,124</b>
<b>Total Payments</b>		<b>\$52,428</b>
<b>BALANCE HELD</b>		<b>\$481,501</b>

**Note:** the above figures are GST exclusive