



McDonald
Vague

business recovery partners

Vienna Group Limited (In Liquidation)

Liquidators' Third Report (for the period from 23 January 2016 to 22 July 2016)

McDonald Vague Limited

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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 third 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 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. 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.

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, expired 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 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. Interest of \$9,083 has been received on funds held.

4 INVESTIGATIONS

We have recovered certain records and are working with stakeholders to complete a detailed and complex investigation and analysis of the trading affairs of the company prior to liquidation. The investigation may lead to further recoveries which would benefit the company's preferential creditors.

Once our investigations are complete a decision will be made in consultation with the company's preferential creditors as to the viability and nature of further recovery action.

The matter is confidential at this stage, and further information will be provided in subsequent reports.

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 has yet been lodged and the liquidators do not hold stock for this supplier.

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 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:

- Completion of investigations
- 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) 306 3340 or by email to dwhisken@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 17th day of August 2016

Realisations and Distributions

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

Realisations	As Per Statement of Affairs \$	Cash Received \$
Bank Account Closure	159,597	150,296
Debtors - Post liquidation	-	36,903
Debtors – Pre-liquidation	125,000	137,344
Interest	-	9,083
Sale of Assets - Stocks, Furniture and Fixtures, Goodwill	262,000	220,000
Total Realisations	\$546,597	\$553,626
Payments		
Liquidators Fees		
Liquidators Fees		48,540
Disbursements		520
Total Liquidators Fees		\$49,060
Other Costs of Liquidation		
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		2,543
Total Costs of Liquidation		\$19,554
Total Payments		\$68,614
BALANCE HELD		\$485,012

Note: the above figures are GST exclusive