



The Insolvency & Business Recovery Specialists

## Wiri Automotive Electrical Limited (In Liquidation)

### Liquidators' Second Report For the period from 30 May 2014 to 29 November 2014

#### 1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Wiri Automotive Electrical Limited ("the company") on 30 May 2014.

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 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 Sale of Business**

The liquidators traded the business on until 19 June 2014 in order to sell it as a going concern. Total proceeds of \$197,964 were received from the sale of debtors, inventory, fixed assets and goodwill.

##### **3.2 Debtors**

**(Statement of Affairs: \$160,000)**

Debtors amounting to \$120,253 were transferred to the new owner as part of the sale of the business. The liquidators have realised a further \$25,080 from debtors that were retained by the company. Some creditors have been placed into liquidation in the last month, however the liquidators continue to pursue recovery of \$13,879 including \$2,915 owed by Mr Kevin Whynn.

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CHARTERED  
ACCOUNTANTS 

**3.3 Bank Savings Accounts (Statement of Affairs: \$4,604)**

Funds in the company's bank accounts were used in the short term trading-on of the business by the liquidators.

**3.4 Goodwill (Statement of Affairs: \$33,000)**

Goodwill of \$33,000 was realised from the sale of the business.

**3.5 Fixed Assets (Statement of Affairs: \$64,000)**

The liquidators realised \$36,573 from the sale of the company's fixed assets to the new owner. Further sales of small items of plant and equipment have resulted in income of \$530. The liquidators continue to pursue Mr Kevin Whynn for the return of a boat that is according to annual accounts that he signed, company property.

**3.6 Overdrawn Current Account – Kevin Whynn**

The liquidators continue to pursue outstanding debtor invoices and the overdrawn current account of Mr Whynn, one of the company's shareholders. He is currently denying all liability despite him having signed accounts that acknowledged amounts were due.

**4 INVESTIGATIONS**

The liquidators have completed their investigations into the books, records and affairs of the company. There were no matters that came to the knowledge of the liquidators that could eventuate in a benefit to creditors.

**5 CREDITORS' CLAIMS****5.1 Secured Creditors**

The BNZ held a General Security Agreement over the company's property. All amounts due to BNZ have been repaid in full.

The liquidators have returned the consignment stock belonging to one of the registered Purchase Money Interest Security (PMSI) holders. The liquidators have paid the other PMSI holder the amount they were entitled to under their security agreement.

**5.2 Preferential Creditors**

The Applicant Creditor's preferential claim amounted to \$4,854. The Applicant Creditor's claim has been paid in full.

Employee claims for preferential wages and holiday pay amounted to \$13,434. The liquidators have made a distribution of 100 cents in the dollar to all employees.

Inland Revenue were owed \$39,787 in respect of preferential GST and PAYE. The liquidators have made a distribution of 100 cents in the dollar to Inland Revenue.

### 5.3 Unsecured Creditors

As at the date of preparing this report 37 unsecured creditors claim forms have been received which total \$150,834. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution.

## 6 LIQUIDATORS' FEES

Liquidators' fees incurred to the date of this report are \$36,938 including GST (\$32,120 excluding GST). The fees are based on 155 hours of work undertaken as follows:

<b>Work Category</b>	<b>Hours</b>	<b>\$</b>
Appointment functions	56	9,714
Asset realisations	72	17,151
Creditors' claims, enquiries and reports	21	4,093
Taxation	3	537
Investigations	3	625
<b>Total</b>	<b>155</b>	<b>\$32,120</b>

## 7 FUNDS / LIKELY OUTCOME

The outcome of the liquidation lies almost entirely with recovery of amounts due and assets recovered from Mr Kevin Whynn. The liquidators anticipate that there will be a distribution to unsecured creditors, however, it is too early to estimate the amount of the distribution with any certainty.

## 8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Collection of outstanding debtors,
- Collection of shareholder's current account and assets retained,
- Distribution to unsecured creditors.

## 9 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 year.

## 10 CONTACT DETAILS

Enquiries should be directed to Daniel Zhang on DDI (09) 306 3356 or by email to [dzhang@mvp.co.nz](mailto:dzhang@mvp.co.nz).

The Liquidators can be contacted at:

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BORIS VAN DELDEN  
LIQUIDATOR

DATED this 16 day of December 2014

# Realisations and Distributions

Wiri Automotive Electrical Limited (In Liquidation)  
30 May 2014 to 29 November 2014

<b>Realisations</b>	
Interest	111
Debtors	25,080
Trading On Debtors	19,047
Debtors Payable to New Company	21,931
Trading On Sales	11,002
Reimbursement of Trading On Loss by Applicant Creditor	12,755
Sale of Inventory	8,138
Sale of Plant & Machinery	37,103
Sale of Accounts Receivable	120,253
Goodwill	33,000
Sundry Income	523
<b>Total Realisations</b>	<b>288,942</b>
<b>Payments</b>	
<b>Liquidators Fees</b>	
Liquidators Fees	20,857
Disbursements	579
<b>Total Liquidators Fees</b>	<b>21,436</b>
<b>Other Costs of Liquidation and Trading On</b>	
Trading On Purchases	8,972
Other Trading On Costs	7,900
Asset Valuation Expenses	1,500
Commission on Asset Sales	29
Trading On Wages, Holiday Pay and PAYE	22,753
Kiwisaver Employer Contributions	632
Resident Withholding Tax on Interest	31
Bank Fees	152
<b>Total Costs of Liquidation and Trading On</b>	<b>41,969</b>
<b>Distributions</b>	
Secured Creditor - BNZ	135,378
Secured Creditor - Pan Pacific Auto Electronics	21,570
Preferential Applicant Creditor Costs	4,854
Preferential Wages and Holiday Pay	13,434
Preferential GST and PAYE	39,787
<b>Total Distributions to Unsecured Creditors</b>	<b>215,024</b>
<b>Total Payments</b>	<b>278,429</b>
<b>BALANCE HELD</b>	<b>10,512</b>
<b>Funds Available</b>	
ASB Cheque Account	2,222
ASB Interest Bearing Trust Account	2
McDonald Vague Trust Account	8,675
GST Receivable (Payable)	(387)
<b>BALANCE HELD</b>	<b>10,512</b>