



The Insolvency & Business Recovery Specialists

YQT Limited (In Liquidation)

Liquidators' Second Report For the period from 8 October 2014 to 7 April 2015

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of YQT Limited ("the company") on 8 October 2014. The company was previously registered as the following entities:-

- Canam Construction (1955) Limited (until 30 November 2009)
- Canam Construction Limited (until 28 May 2008)
- Canam Personnel Limited (until 10 December 1993)
- Construction Personnel Limited (until 14 September 1990)
- Cleethorpes Thirty Three Limited (until 08 March 1990)

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 not attached as there have been no realisations from company assets.

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 Fixed Assets

(Statement of Affairs: \$Nil)

The company assets were sold to Canam Plant Limited around October 2008. The company ceased to trade on or about 30 November 2008 but continued to collect debtors following this date. All debtors receipts were collected by 31 March 2011. The company balance sheet at 31 March 2011 recorded Nil assets. The final recovery was paid to reduce an intercompany balance after trade creditors were paid in full. The intercompany creditor was not paid in full.

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The physical assets were sold to a related company, at book value. The assets comprised motor vehicles \$406,640, Office Equipment \$44,610 and plant and equipment \$112,580. 39 motor vehicles were transferred.

As the sale of the physical assets occurred well before the two year specified period for transactions with related parties (section 298(4)(a)) of the Companies Act 1993) the liquidators are not able to challenge that sale.

4 INVESTIGATIONS

The liquidators have commenced their investigations into the books, records and affairs of the company. Distributions were paid to shareholders up to 31 March 2009. The liquidators consider that the company satisfied the solvency test at the time of each distribution and taking into account the awareness and likely assessment of the merits of contingent claims.

The liquidators have investigated group intercompany payments made in the 2011 year following the filing of proceedings and during a time the company had knowledge of a pending claim. These transactions however fall outside the specified period for insolvent transactions under section 292 of the Companies Act 1993.

In February 2015 in regard to proceedings currently stayed, the liquidators were asked by the High Court to report on certain matters. A report on the matters raised is being advanced.

5 CREDITORS' CLAIMS

5.1 Unsecured Creditors

As at the date of preparing this report two unsecured creditors claim forms have been received which total \$2.786 million. Both claims are subject to presently stayed legal proceedings so the actual quantum owed if any has not been established. Liability has not been established and as noted may not be as the proceedings are currently stayed. Accordingly, the liquidators have neither accepted or rejected the claims.

Further, if the stay is lifted from the proceedings allowing the proceedings to continue, the amounts claimed may be able to ascertained in which case the liquidators are likely to refer the matter to the Court for a decision on the amount of the claims pursuant to section 307(1)(b).

6 FUNDS / LIKELY OUTCOME

The possible actions available will need to be considered on their merits and any action will be subject to funding. 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:

- Respond to High Court request.
- Complete investigations.
- Review position creditor claims and admission or rejection.

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.

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PERI M FINNIGAN
LIQUIDATOR

DATED this 30th day of April 2015