



McDonald
Vague

business recovery partners

Canzea Logging Limited (In Liquidation)

Liquidators' Second Report (for the period from 3 August 2017 to 2 February 2018)

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Iain McLennan and Colin Sanderson, CAANZ Accredited Insolvency Practitioner, of Auckland, were appointed joint and several liquidators of Canzea Logging Limited ("the company") by special resolution of the shareholders on 3 August 2017.

On 4 August 2017, Thomas Lee Rodewald, chartered accountant of Tauranga, was appointed receiver and manager of the property of the company by Bank of New Zealand under the powers contained in an instrument dated 11 March 2015. The receiver filed a notice of ceasing to act as receiver and manager on 21 December 2017.

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 Debtors

(Statement of Affairs: \$Unknown)

The amount of \$2,540 has been received from company debtors. No further recoveries are expected.

3.2 Vehicles, Equipment & Machinery

The liquidators assisted the receivers to sell the assets that were subject to their appointer's security.

The liquidators have also sold assets that were subject to specific securities on behalf of the secured parties. Details of the realisations and distributions are contained in the realisations and distributions statement included with this report. The liquidator's fees and disbursements for realising the secured assets have been taken from the proceeds.

There is one remaining secured asset to be sold.

A Toyota motor vehicle that was subject to a security in favour of Toyota Finance New Zealand Limited, was sold by the secured creditor. There were no surplus funds available from the sale for the liquidators.

4 INVESTIGATIONS

The liquidators are continuing their investigations into the books, records and affairs of the company.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

Seven secured claims have been received which total \$1,281,680. Payments have been made as follows -

Bank of New Zealand (to receivers)	Payment made	\$147,416
Finance Now Limited	Payment made	\$7,456
Branded Financial Securities Limited	Payment made	\$17,345
Dorchester Finance Limited	Payment made	\$229,692
Heartland Bank	Payment made	\$55,638

The receivers report that they repaid \$692,883 to the Bank of New Zealand.

We understand that there was a shortfall to the General Security holder of approximately \$260,000 following the completion of the receivership. Interest continues to accrue on the remaining amounts.

5.2 Preferential Creditors

A preferential claim has been made by the directors amounting to \$14,176 for wages or salary, and holiday pay paid to staff from the directors personal account.

The Inland Revenue Department has submitted a preferential claim for \$56,866.

No dividend has been paid to preferential creditors at the date of this report.

5.3 Unsecured Creditors

As at the date of preparing this report 26 unsecured creditors claim forms have been received which total \$300,203.

In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims unless we are in a position to pay a distribution.

6 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the General Security Agreement holders. 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:

- Sale of the remaining asset
- Completion of the investigations of the company's books and records and affairs.

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 six months.

9 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI (07) 838 0908 or by email to CSanderson@mvp.co.nz.

The Liquidators can be contacted at:

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IAIN McLENNAN
LIQUIDATOR

DATED this 8th day of February 2018

Realisations and Distributions

Canzea Logging Limited (In Receivership & Liquidation) 3 August 2017 to 2 February 2018

Realisations	Cash Received \$
Receivers Payment for BNZ re Hitachi	1,100
Debtors	2,540
Interest	219
Hitachi Excavator	137,000
Tigercat Skidder	250,000
Sale of Company Vehicles	32,435
Komatsu Bulldozer	63,913
Total Realisations	\$487,207
Payments	
Liquidators Fees	
Liquidators Fees – general	8,122
Liquidators fees – realisation of secured assets	16,352
Total Liquidators Fees	\$24,474
Other Costs of Liquidation	
Heartland Bank	1,317
Branded Financial Services	2,758
Finance Now	1,049
Residents Withholding Tax on Interest	61
Total Costs of Liquidation	\$5,185
Distributions	
Bank of New Zealand Limited	147,416
Finance Now Limited	7,456
Branded Financial Services Limited	17,345
Dorchester Finance Limited	229,692
Heartland Bank	55,638
Total Distributions to Creditors	\$457,547
Total Payments	\$487,206
BALANCE HELD	\$1

Note: the above figures are GST exclusive