



McDonald
Vague

business recovery partners

Chemsafe Group Limited (In Liquidation)

Liquidators' Second Report for the period from 5 May 2017 to 4 November 2017

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of Chemsafe Group Limited ("the company") on 5 May 2017 by the High Court at Auckland.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators are reporting 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 arising from 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 as at the date of this report but that becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Business and Assets

(Statement of Affairs: NA)

The company was no longer trading as at the date of liquidation as its assets had been sold and/or transferred to a third party prior to the liquidators' appointment. The liquidators are investigating this transaction.

3.2 Debtors **(Statement of Affairs: \$Unknown)**

The statement of affairs recorded the accounts receivable as \$398,546. All of the accounts receivable relate to the unresolved items arising in the sale of the assets of various Chemsafe group companies and the resulting restructure of some group companies trading arrangements. To date the debtor disputes the basis and amounts. The liquidators are investigating this matter further to the extent that it relates to the company in liquidation.

3.3 Bank Account Closure **(Statement of Affairs: \$50)**

The company's bank account balance as at the date of liquidation was \$50. These funds have been recovered by the liquidators.

4 INVESTIGATIONS

The liquidators are continuing to investigate the affairs of the company and the disposal of the company's and related company assets prior to the company's liquidation. Many of the company's creditors have provided information to assist the liquidators with their investigations. If any creditor has any further information that they consider may be of interest to the liquidators, please contact either Iain McLennan or Marisa Brugeyroux of our office.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

As at the date of this report, three securities remain registered against the company. No secured claims have been received.

5.2 Preferential Creditors

The applicant creditor was awarded costs and disbursements totalling \$5,911 in respect of its application to put the company into liquidation.

Employee preferential claims received for unpaid wages or salary, holiday pay, and redundancy amount to \$41,477.

The Inland Revenue Department has submitted a preferential claim for \$290,384 in respect of unpaid GST, PAYE, and other employee deductions.

No dividend has been paid to preferential creditors.

5.3 Unsecured Creditors

The liquidators have received 10 unsecured creditors' claims, which total \$644,754.

6 LIQUIDATORS' FEES

Unpaid liquidators' fees to the date of this report are \$34,651 excluding GST. The fees are based on 125.9 hours of work undertaken as follows:

Work Category	Hours	\$
Commencement, initial attendances, and statutory requirements	43.3	9,940
Asset realisations	13.7	4,410
Creditors	13.4	3,205
Investigations and legal	50.1	15,410
Taxation	1.4	240
Management	4.0	771
Disbursements		675
Total	<u>125.9</u>	<u>34,651</u>

Liquidators' fees in a Court ordered liquidation are to be approved by the Court. If required, a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that, with leave of the High Court, an application to review or fix the liquidators' remuneration may be made by a creditor, shareholder, or director of a company in liquidation. In circumstances where no application has been made to review or fix the liquidators' remuneration, the High Court will be less inclined to rigorously examine the fees submitted by the liquidators for approval.

7 FUNDS / LIKELY OUTCOME

It is too early for the liquidators to determine whether there will be any distribution to creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Further investigations into the affairs of the company.
- Recovery or other legal action, if appropriate.

9 ESTIMATED DATE OF COMPLETION

It is too early for the liquidators to estimate the completion date of this liquidation.

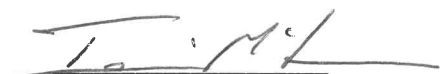
10 CONTACT DETAILS

Enquiries should be directed to Iain McLennan on DDI (09) 303 9512 or Marisa Brugeyroux on DDI (09) 306 3340 or by email to imclennan@mvp.co.nz and mbrugeyroux@mvp.co.nz.

The Liquidators can be contacted at:

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IAIN MCLENNAN
LIQUIDATOR

DATED this 4th day of December 2017

Realisations and Distributions

Chemsafe Group Limited (In Liquidation) 5 May 2017 to 4 November 2017

Realisations	As Per Statement of Affairs \$	Cash Received \$
Bank Account Closure	50	50
Total Realisations		\$50
Payments		
Liquidators' Fees		
Liquidators' Fees		Nil
Disbursements		Nil
Total Liquidators' Fees		\$Nil
Total Payments		\$Nil
BALANCE HELD		\$50

Note: the above figures are GST exclusive