



McDonald
Vague

business recovery partners

FIRMA GROUP LIMITED (IN LIQUIDATION)

Liquidators' Third Report For the period from 19 February 2023 to 18 August 2023

McDonald Vague Limited
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1 INTRODUCTION AND APPOINTMENT

Keaton Pronk and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Firma Group Limited (In Liquidation) ("the company") on 19 August 2022.

This report has been prepared pursuant to Section 255(2)(d) of the Companies Act 1993 (**Act**) for the purpose of reporting on the liquidation of the Company. A Statement of Realisations and Distributions is **attached** as Appendix 1.

The report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

2 RESTRICTIONS

This report should be read in conjunction with the liquidators' previous report.

This report has been prepared using the information known to us. We have not independently verified the accuracy or reliability of the information provided or undertaken audit of the Company. 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 at the date of this report which becomes known to us after that date.

3 UPDATED INTERESTS STATEMENT

We have not become aware of any circumstances, relationships, or other facts since we last prepared an interests statement that create, or could reasonably be perceived as creating, a conflict of interest for us in relation to our independence as liquidators.

4 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

Shareholders Current Accounts

Michael Money	\$5,170.03
Payments to Date	<u>\$2,750.00</u>
Balance to Pay	\$2,420.03
Samuel Owens	\$9,905.44
Payments to Date	<u>\$1,850.00</u>
Balance to Pay	\$8,055.44

A payment arrangement has been set up with both shareholders to repay the debt over time.

Since our appointment, we have:

- Interviewed the directors and shareholders and other parties with knowledge of the affairs of the company
- Uplifted and reviewed the Company's books and records
- Investigated the affairs of the Company and the reasons for its failure
- Investigated the related party debts and their security
- Corresponded with creditors in relation to the financial position of the company and related party debts and security.

5 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 aside from those outlined above in asset realisations and below in creditor claims.

There are no known current or pending proceedings for which the company is a party.

6 CREDITORS' CLAIMS

In the interest of minimising liquidator's fees, the liquidators will only formally accept or reject creditors' claims if there are funds available to pay a distribution.

The following claims have been received:

CLAIMS RECEIVED	NUMBER	VALUE	DISTRIBUTIONS	¢ IN THE \$
GSA Holders	1	TBC	0	0
Specific Securities	0			
Employee Preferential Claims	0			
IRD Preferential Claims	0			
Unsecured Claim	3	1,301,687	0	0

The General Security Agreement holder is a related company Firma Construction Limited. A review of the security documents and statement of account appear to show that the security agreement was entered into after the funds were advanced by Firma Construction Limited to Firma Group Limited. Payment of funds pre liquidation to Firma Construction Limited under the GSA may have resulted in a preference to the Firma Construction Limited ahead of other unsecured creditors.

Firma Construction Limited is in liquidation. The liquidator of Firma Construction Limited has advised that it is unlikely there will be a distribution to any class of creditors from this liquidation. No further steps will be taken in this matter at this time.

7 FUNDS / LIKELY OUTCOME

At this stage the liquidator does not anticipate paying a distribution to any class of creditors.

8 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Collection of the overdrawn shareholders current accounts.

There is no change to the estimated date of completion since our last report.

9 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on DDI +64 (9) 969 1518 or by email to kpronk@mvp.co.nz.

The Liquidators can be contacted at:

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Level 1
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Keaton Pronk
LIQUIDATOR (License No: IP107)

Dated this 8th day of September 2023

Realisations and Distributions			2nd/subsequent		
			Since initial report	Since last report	
Firma Group Limited (In Liquidation)					
19 August 2022 to 18 August 2023					
			18/08/2023	18/02/2023	movement
Realisations					
Shareholders Current Account			1,850	1,100	750
Shareholders Current Account			2,750	1,250	1,500
Total Realisations			4,600	2,350	2,250
Payments					
Liquidators Fees					
Liquidators Fees			4,043	1,618	2,425
Disbursements			164		164
Total Liquidators Fees			4,207	1,618	2,589
Other Costs of Liquidation and Trading On					
Legal Fees			-		-
Debt Collection Costs			-		-
Wages and PAYE			-		-
Bank Fees			-		-
Total Costs of Liquidation and Trading On			-		-
Distributions					
Secured Creditor			-		-
Preferential Wages and Holiday Pay			-		-
Preferential GST and PAYE			-		-
Dividends to Unsecured Creditors			-		-
Total Distributions to Unsecured Creditors			-		-
Total Payments			4,207	1,618	4,207
BALANCE HELD			393	732	(339)

Appendix One

FIRMA GROUP LIMITED (IN LIQUIDATION)

BREAKDOWN OF LIQUIDATORS BILLED REMUNERATION AND EXPENSES FOR THE PERIOD OF THE LIQUIDATION

19 Aug 2022 to 18 Aug 2023

Time costs by Position and Work Type	Hourly rate	Appointment Functions		Asset Realisation		Creditors & Report		Management & Tax		Investigation		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Directors /Partners /Consultants/Liquidators	\$400												
Forensic Accountants / Associates	\$300 - \$380	10	3,365			0.2	76			0.2	60	10.4	3,501
Insolvency Managers	\$140 - \$280	3.2	542									3.2	542
Insolvency Accountants	\$140 - \$200												
Secretarial & Clerical Assistants	\$50 - \$170												
Total		13.2	3,907			0.2	76			0.2	60	13.6	4,043

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	164
Total	164

To date the liquidators have 46 hours total amounting to \$13,996 in remuneration and expenses.

Work completed includes but is not limited to:

Appointment	All matters on the commencement of the appointment
Creditors	All communications, claims, reporting, enquiries
Asset Realisations	All matters in respect of the potential sale of assets/business/IP and subsequent sale of assets including trading/debtors
Management & Tax	All matters in respect of statutory reporting and the management of the file
Investigation	Analysis of bank statements, review of historic transactions and accounts to identify avenues for recovery