



McDonald  
Vague

business recovery partners

## LAVENDER COTTAGE 2021 LIMITED (IN RECEIVERSHIP)

### Receivers' First Report

**McDonald Vague Limited**  
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#### 1 INTRODUCTION AND APPOINTMENT

Colin Sanderson and Iain McLennan, Licensed Insolvency Practitioners of Hamilton and Auckland, were appointed jointly and severally as receivers of All present and after acquired personal property of the Company of Lavender Cottage 2021 Limited (in Receivership) ("the company") on 05 July 2022. The receivers were appointed under the powers contained within a General Security Agreement dated 16 August 2021 in favour of David John Hillary, as trustee for Strong Properties Holdings Trust Number 2.

#### 2 RESTRICTIONS

This report has been prepared in accordance with Section 24 of the Act. 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 ATTACHMENTS

The following documents are attached to this report:

Appendix 1: Particulars of Assets and Liabilities

Appendix 2: Schedule of secured creditors' names and addresses

#### 4 EVENTS LEADING UP TO OUR APPOINTMENT

The appointment arose from as a result of the company's default in payments due to the secured creditor and failure to furnish two monthly management reports required under the General Security Agreement.

## **5 CLOSURE OF BUSINESS**

The company had traded as a gluten free café. On the date of appointment, the receivers found the premises closed. Contact was made with the director who confirmed that the business had ceased trading.

## **6 PARTICULARS OF ASSETS AND LIABILITIES**

Particulars of the Assets and of the Debts and Liabilities of the Company as at the date of our appointment are provided at Appendix 1.

## **7 ASSETS COMPRISING THE PROPERTY IN RECEIVERSHIP**

### ***7.1 Plant & Equipment***

At the date of appointment of the receivers, the company owned cooking and food storage equipment that had been that had been used in the business.

### ***7.2 Stock***

There was a large quantity of frozen food stored on the premises along with quantities of ingredients in storage bins and partly used containers.

### ***7.3 Accounts Receivable***

The company's accounting records showed accounts receivable of \$1,392.

## **8 PROPERTY DISPOSED OF TO DATE**

The plant and equipment of the company has been sold at auction realising \$3,301 (GST excl.) after costs of sale.

Because of the manner in which the frozen food had been packaged, we were not able to properly identify or safely sell any food to the public. For safety reasons, all perishable goods and part used containers of cooking ingredients were disposed of.

There have been no recoveries in relation to accounts receivable as the accounting records had not been kept up to date.

## **9 PROPOSALS FOR DISPOSAL OF RECEIVERSHIP PROPERTY**

There are no further physical assets to be realised or otherwise disposed of.

## 10 LIABILITIES AND CREDITOR CLAIMS

### 10.1 Secured Creditors

At the date of our appointment the amounts due to our appointer (including accrued interest) were as follows:

|  |                                   |
|--|-----------------------------------|
| Term loan accounts, accrued interest and<br>overdue principal at 5 July 2022 | \$75,808.48                       |
| Additional costs, penalties and interest                                     | <u>\$31,712.01</u>                |
| <b>Total</b>   | <b><u><u>\$107,520.49</u></u></b> |

Claims totalling \$4,582 have been notified by two other parties with security interests registered on the PPSR.

A schedule of secured creditors and their addresses is provided at Appendix 2, as required by Section 23(1)(c) of the Act.

### 10.2 Preferential Creditors

We estimate that there is approximately \$2,306.81 owing to former employees for wages, holiday pay and redundancy pay.

The Inland Revenue Department has not yet provided us with a creditor's claim form but we understand that there are amounts due in respect of GST, PAYE and other payroll deductions amounting to \$18,967.89.

### 10.3 Unsecured Creditors

From our review of the company's accounting records and other information we estimate that the total amount due to unsecured creditors, including trade creditors, the Inland Revenue Department's unsecured claim for a small business cashflow loan and unsecured related party advances is approximately \$103,033.

The lease was cancelled by the landlord on 7 July 2022. There is outstanding rent owed to the landlord of \$40,518. The Receivers disclaimed the lease on 11 July 2022.

The Receivers are not responsible for the administration of unsecured creditors' claims, however, it appears unlikely that there will be surplus funds available for unsecured creditors.

## 11 INFORMATION PROVIDED BY THE COMPANY

The director of the company has provided little assistance or information to the Receivers. The director failed to provide full details of employees and most employees were identified after the receivers obtained access to the company's payroll software.

## 12 FURTHER INFORMATION

If you are aware of any information that would assist the Receivers, please set the details out in writing, attach any supporting evidence and send it to us. Please note that the Receivers are more able to act on written information.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on the attached Confirmation of Amount Owing form. This report and all subsequent reports will be available on the Receivers' website at [www.mvp.co.nz](http://www.mvp.co.nz)

## 13 ESTIMATED DATE OF COMPLETION

It is estimated that the receivership will be completed in the next 3 months.

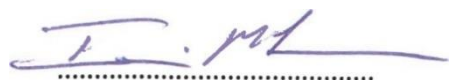
## 14 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI +64 (7) 838 0908 or by email to [csanderson@mvp.co.nz](mailto:csanderson@mvp.co.nz).

The Receivers can be contacted at:


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Level 1  
136 Green Lane East, Greenlane  
Auckland 1051

P O Box 6092  
Victoria Street West  
Auckland 1142

  
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Iain McLennan  
IP82  
RECEIVER

Dated this 14<sup>th</sup> day of September 2022

|   |                   |                         |                   |                   |
|--|-------------------|-------------------------|-------------------|-------------------|
| <b>Appendix 1</b>  |                   |                         |                   |                   |
| <b>LAVENDER COTTAGE 2021 LIMITED (IN LIQUIDATION)</b>  |                   |                         |                   |                   |
| <b>Statement of Affairs</b>  |                   |                         |                   |                   |
| Statement of Affairs for the above named company as at 5 July 2022 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank. |                   |                         |                   |                   |
|  |                   |                         | <i>Deficiency</i> |                   |
| <b>ASSETS SPECIFICALLY PLEDGED</b>   | <i>Estimated</i>  | <i>Due to</i>           | <i>Ranking as</i> |                   |
|  | <i>to Realise</i> | <i>Secured Creditor</i> | <i>Unsecured</i>  | <i>Surplus</i>    |
| Goods Supplied - Corporate Rentals Ltd   | Unknown           | 1,771                   | 1,771             | -                 |
| Goods Supplied - Davis Trading Ltyd  | Unknown           | 2,810                   | 2,810             | -                 |
|  |                   |                         | -                 | -                 |
| <b>Estimated surplus / (deficiency) as regards specifically pledged assets</b>   | <b>\$ -</b>       | <b>\$ 4,581</b>         | <b>\$ 4,581</b>   | <b>\$ -</b>       |
| <b>ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>   |                   |                         |                   |                   |
|  |                   |                         | <i>Book</i>       | <i>Estimated</i>  |
|  |                   |                         | <i>Value</i>      | <i>to Realise</i> |
| Accounts receivable  |                   |                         | 1,392             | -                 |
| Bank account balances  |                   |                         | -                 | 16                |
| Inventory  |                   |                         | Unknown           | -                 |
| Total  |                   |                         | <b>1,392</b>      | <b>16</b>         |
| <b>Less preferential creditors</b>   |                   |                         |                   |                   |
| Employees  |                   |                         |                   | 2,307             |
| Inland Revenue Department  |                   |                         |                   | 18,968            |
| Total  |                   |                         |                   | <b>21,275</b>     |
| <b>Estimated deficiency as regards preferential creditors</b>  |                   |                         |                   |                   |
|  |                   |                         |                   | <b>(\$21,259)</b> |
| <b>ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S</b>  |                   |                         |                   |                   |
|  |                   |                         | <i>Book</i>       | <i>Estimated</i>  |
|  |                   |                         |                   | -                 |
| Plant & Equipment  |                   |                         | 9,777             | 3,301             |
| Shop fitout  |                   |                         | 9,258             | -                 |
| Total  |                   |                         | <b>19,035</b>     | <b>3,301</b>      |
| <b>LESS GENERAL SECURITY AGREEMENT HOLDER/S</b>  |                   |                         |                   |                   |
| Trustee of Strong Properties Holdings Trust Number 2   |                   |                         |                   | 75,808            |
| Creditor 4 - fourth ranking General Security Agreement holder  |                   |                         |                   | -                 |
| Total  |                   |                         |                   | <b>75,808</b>     |
| <b>Estimated deficiency as regards General Security Agreement holders</b>  |                   |                         |                   |                   |
|  |                   |                         |                   | <b>(\$72,507)</b> |
| Less deficiency as regards preferential creditors  |                   |                         |                   | 21,259            |
| <b>Deficiency ranking as unsecured</b>   |                   |                         |                   | <b>(93,766)</b>   |
| <b>AVAILABLE FOR UNSECURED CREDITORS</b>   |                   |                         |                   |                   |
|  | 5                 |                         |                   | -                 |

|  |  |  |  |                           |
|--|--|--|--|---------------------------|
| <b>LESS UNSECURED CREDITORS</b>  |  |  |  |                           |
| Estimated deficiency as regards Secured Creditors  |  |  |  | 4,581                     |
| Estimated deficiency as regards General Security Agreement holders   |  |  |  | 72,507                    |
| Estimated deficiency as regards preferential creditors   |  |  |  | 21,259                    |
| Trade creditors  |  |  |  | 61,283                    |
| IRD unsecured claim  |  |  |  | 27,250                    |
| Related party advances   |  |  |  | 14,500                    |
| <b><i>Estimated surplus/(deficiency) as regards unsecured creditors</i></b>  |  |  |  | <b><u>(\$201,380)</u></b> |
| <b>Notes:</b>  |  |  |  |                           |
| 1. There is no unpaid capital liable to be called up.  |  |  |  |                           |
| 2. The above estimates are subject to the costs of the receivership.   |  |  |  |                           |
| 3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.   |  |  |  |                           |
| 4. The General Security Agreement holder's claim will continue to accrue interest until fully paid.  |  |  |  |                           |
| <b>Disclaimer of Liability:</b>  |  |  |  |                           |
| The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party. |  |  |  |                           |

## LAVENDER COTTAGE 2021 LIMITED (IN RECEIVERSHIP)

### Schedule of Creditors' Names and Addresses

Pursuant to Section 23(1)(c) of the Receiverships Act 1993

| <b>Creditor Name</b>                      | <b>Address 1</b>             | <b>Address 2</b>       | <b>Address 3</b> | <b>Postcode</b> |
|---|------------------------------|------------------------|------------------|-----------------|
| <b>Secured Creditors</b>                  |                              |                        |                  |                 |
| Strong Properties Holdings Trust Number 2 | 33 Hart Road                 | RD 3                   | Hamilton         | 3283            |
| Corporate Rentals Limited                 | PO Box 99 769                | New Markey             | Auckland         | 1149            |
| Davis Trading Co Limited                  | PO Box 132159                | Sylvia Park            | Auckland         | 1644            |
| <b>Preferential Creditors</b>             |                              |                        |                  |                 |
| Inland Revenue Department                 | PO Box 39010                 | Wellington Mail Centre | Lower Hutt       | 5045            |
| Paige Atkins                              |                              |                        |                  |                 |
| Eva Lang                                  |                              |                        |                  |                 |
| Hannah Lang                               |                              |                        |                  |                 |
| Megan McMillan                            |                              |                        |                  |                 |
| Tayla Parris                              |                              |                        |                  |                 |
| Trisity Young                             |                              |                        |                  |                 |
| <b>Unsecured Creditors</b>                |                              |                        |                  |                 |
| Big5 Marketing                            | accounts@big5marketing.co.nz |                        |                  |                 |
| Crawford Road Holdings Limited            | C/- Goodwin Turner           | PO Box 305639          | Auckland         | 0757            |
| Dessert Kitchen                           | PO Box 361                   | Pukekohe               |                  | 2340            |
| Genesis Energy                            | Private Bag 3131             | Hamilton               |                  | 3240            |
| Hamilton City Council                     | Private bag 3010             | Hamilton               |                  | 3240            |
| Plumb Waikato                             | office@plumbwaikato.co.nz    |                        |                  |                 |
| Pete's Packaging Limited (Hamilton)       | PO Box 10206                 | Te Rapa                | Hamilton         | 3241            |
| Rentokil Initial Limited                  | Private bag 92905            | Onehunga               | Auckland         | 1643            |
| The Dream Factory                         | innovate@thedreamfactory.nz  |                        |                  |                 |
| The Trustees of the Oletra Family Trust   | 1008d Te Kawa Road           | Te Awamutu             |                  | 3873            |