



McDonald
Vague

business recovery partners

MAGNOLIA KITCHEN LIMITED (IN LIQUIDATION)

Liquidators' Second Report For the period from 7 October 2022 to 6 April 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 Magnolia Kitchen Limited (In Liquidation) ("the company") on 07 October 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

During the reporting period, we have:

- Landlord Bank Bond
As at the date of liquidation the landlord held a bank bond which has been used against unpaid rent and OPEX on the Silverdale premise.
- Cash at Bank Statement of Affairs \$25,000
The liquidators have recovered cash on hand and cash in the company bank accounts totalling \$6,687. The difference between the Liquidators First Report Statements of Affairs and the Second Report is from debtors that had not yet been received into the company bank account as at the date of liquidation.
- Debtors
The liquidators have recovered debtors totalling \$26,948. There are minimal debtors now outstanding.
- Supplier Refunds
The liquidators have received a refund from a supplier from services paid in advance totalling \$417.
- Inventory / Property Plant and Equipment Statement of Affairs \$17,000
The liquidators have realised the Inventory and Property Plant and Equipment of the business at auction totalling \$35,615.
- Intellectual Property
A business broker was engaged to sell the intellectual property of the business, to date this remains unrealised.
- Nissan Vanette Statement of Affairs \$TBC
The liquidators have realised the Nissan Vanette at auction totalling \$6,087.

Since our appointment, we have:

- Interviewed the director 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
- Realised the assets of the company and collected debtors
- Vacated the company premise

5 INVESTIGATIONS

The liquidators investigations into the books, records and affairs of the company is ongoing.

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 Holder – Heartland Bank	1	123,638	27,122	22
Specific Securities	2	11,013	*	
Employee Preferential Claims	11	18,781	18,781	100
IRD Preferential Claims	1	94,857	50	0
Unsecured Claim	17	47,690	0	0

* Two claims have been received from specific security holders, the assets secured under the respective agreements were returned to the creditors. The specific security holders were Atomic Coffee Roasters Limited and Silver Chef Rentals Limited.

7 LIQUIDATORS' FEES

The Company has paid liquidators' fees and disbursements to the end of the reporting period totalling \$21,779 plus GST.

The liquidators' time costings to the cut-off date total \$21,859 plus GST, based on 73 hours of work undertaken are detailed in Appendix 2.

8 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the General Security Agreement holder. Therefore, at this stage the liquidator does not anticipate paying a distribution to unsecured creditors.

9 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Investigations into the books and records of the business
- Realise the company's Intellectual Property.

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

10 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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Keaton Pronk
LIQUIDATOR (License No: IP107)

Dated this 27th day of April 2023

Appendix One

Realisations and Distributions		2nd/subsequent		
		Since initial report	Since last report	
Magnolia Kitchens Limited (In Liquidation)				
7 October 2022 to 6 April 2023				
		26/04/2023	(last six months)	movement
Realisations				
	Landlord Bank Bond	42,330	42,330	-
	Cash at Bank	6,687	6,687	-
	Debtors	26,948	26,948	-
	Supplier Refund	417	417	-
	Sale of Assets	41,702	41,702	-
	Total Realisations	118,084	118,084	-
Payments				
Liquidators Fees				
	Liquidators Fees	21,603	21,603	-
	Disbursements	176	176	-
	Total Liquidators Fees	21,779	21,779	-
Other Costs of Liquidation and Trading On				
	Preservation of Asset Costs	1,025	1,025	-
	Auctioneer Comissions	9,520	9,520	-
	Total Costs of Liquidation and Trading On	10,544	10,544	-
Distributions				
	Secured Creditors	63,372	63,372	-
	Preferential Wages and Holiday Pay	18,781	18,781	-
	Preferential GST and PAYE	50	50	-
	Dividends to Unsecured Creditors	-	-	-
	Total Distributions to Unsecured Creditors	82,204	82,204	-
	Total Payments	114,527	114,527	-
	BALANCE HELD	3,557	3,557	-

Appendix Two

MAGNOLIA KITCHEN LIMITED (IN LIQUIDATION) BREAKDOWN OF LIQUIDATORS REMUNERATION AND EXPENSES FOR THE PERIOD OF THE LIQUIDATION

07 October 2022 to 06 April 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			1.0	400							1.0	400
Forensic Accountants / Associates	\$300 - \$380	7.5	2,642	28.1	10,058	8.2	3,116	0.5	190	1.8	684	46.1	16,690
Insolvency Managers	\$140 - \$280												
Insolvency Accountants	\$140 - \$200	10.7	2,140	2.2	440	2.8	560	2.4	480			18.1	3,620
Secretarial & Clerical Assistants	\$50 - \$170							7.5	760			7.5	760
Total		18.2	4,782	31.3	10,898	11.0	3,676	10.4	1,430	1.8	684	72.7	21,470

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	389
Total	389

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