



McDonald
Vague

business recovery partners

**Mattjess Limited
(In Liquidation)
(Trading as Hollywood Bakery Hurstmere Road)**

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**Liquidators' Third Report
to creditors and shareholders
For the period from 28 December 2018 to 27 June 2019**

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Accredited Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of Mattjess Limited ("the company") on 28 June 2018.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This report should be read in conjunction with the liquidators' previous reports. 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

Asset Realisations

3.1 Fixed Assets

We initially traded the business as a going concern in order to preserve value, however shortly afterwards the company's chef resigned, and further trading was not economically viable.

The business of the company then remained closed until we were able to find buyer. This was not easy, due to uncertainty surrounding future roadworks along Hurstmere Road, Takapuna, where the business was situated. The business was also offered to the Franchisor, which declined the opportunity, but assisted in various negotiations with interested buyers.

With mounting pressure from the landlord, and in order to limit the increasing costs of liquidation, the liquidators set a deadline for offers. The highest offer was \$50,000 which was accepted by the liquidators once the landlord, whose approval of a new tenant and finalisation of a lease, was a necessary condition. A further \$4,348 was realised from the sale of other assets, including secured assets for which we have accounted for the net proceeds of sale to the relevant secured creditor.

3.3 Inventory

(Statement of Affairs: \$2,500)

The company's inventory was sold for a nominal \$1,000 in terms of the greater sale of the business as a going concern. At the time of sale most of the company's stock was discarded as past expiry date.

4 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. The liquidators have identified potential claims against the company's project manager, for losses caused by delays in completion of fit-out, and for compensation for equipment not supplied but paid for, and for the difference in value between used equipment supplied and new equipment paid for. The equipment was installed as a stop gap until new equipment arrived from a supplier, however due to practical difficulties the new equipment was not installed when it arrived. The project manager disputes that any amount is owing to the company, and the liquidators will consider recovery action if negotiations fail to reach an agreed settlement.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim has been received from the ASB Bank in respect of a General Security Agreement for the amount of \$167,406. Interest continues to accrue on this amount.

5.2 Preferential Creditors

Preferential claims for holiday pay amount to \$4,670.

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

5.3 Unsecured Creditors

As at the date of this report, unsecured creditor claims amounting to \$160,955 have been received. 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 to unsecured creditors.

6 FUNDS / LIKELY OUTCOME

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

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matter is outstanding:

- Claim against the company's project manager.

8 ESTIMATED DATE OF COMPLETION

The liquidators anticipate that the liquidation will be completed within three months.

9 CONTACT DETAILS

Enquiries should be directed to Dalwyn Whisken on DDI (09) 969 5336 or by email to dwhisken@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 28 day of June 2019

Realisations and Distributions

Mattjess Limited (In Liquidation) 28 June 2018 to 27 June 2019

Realisations	Cash Received \$
Sale of Business	50,000
Interest	6
Trading On Sales	2,869
Sale of Assets	4,348
Total Realisations	\$57,223
Payments	
Liquidators Fees	
Liquidators Fees	27,287
Disbursements	470
Total Liquidators Fees	\$27,757
Other Costs of Liquidation	
Trading on Purchases	393
Electricity	382
Wages and PAYE	1,371
Cost of Sales	3,479
Total Costs of Liquidation	\$5,625
Distributions	
Secured Creditor – ASB Bank Limited	22,501
Secured Creditor – Finance Now	1,331
Residents Withholding Tax and Interest	1
Total Distributions to Creditors	\$23,833
Total Payments	\$57,214
BALANCE HELD	\$8

Note: the above figures are GST exclusive