

Neil Timber Limited (In Liquidation)

Liquidators' Thirteenth Report For the period from 7 June 2013 to 6 December 2013

1 INTRODUCTION AND APPOINTMENT

Iain McLennan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Neil Timber Limited ("the company") on 7 December 2007.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This thirteenth 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

This report has been prepared in accordance with section 255(2)(d) 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 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

2.1 Inventory **(Statement of Affairs \$12,500)**

The liquidators had an onsite auction to realise the majority of the inventory and plant and equipment. The liquidators also completed a small job in order to realise work in progress.

2.2 Account Receivable **(Statement of Affairs \$35,000)**

It is likely that no more will be collected.

2.3 Machinery **(Statement of Affairs \$180,000)**

All machinery has now been sold.

2.4 Advances

(Statement of Affairs \$Unknown)

The liquidators have concluded the investigation and handed a large amount of records to the Ministry of Economic Development. The liquidators are considering what if any recovery actions can be taken on a cost/benefit basis.

4 INVESTIGATIONS

Following MED's claim against Mr John Ede, a jury found Mr Ede guilty of 21 charges under the Insolvency Act, Crimes Act and Companies Act, including 16 charges of theft by a person in a special relationship involving an amount of \$501,658. Mr Ede was sentenced to imprisonment for a period of 3 years and one month for the theft charges, to be served concurrently with a sentence of 6 months for 5 Insolvency and Companies Act offences.

5 CREDITORS' CLAIMS

3.1 Secured Creditors

In addition to the amounts in previous reports the liquidators have become aware of a further claim by a secured creditor that has emerged following the Court proceedings against Mr Ede. The liquidators are discussing matters with the other secured creditors.

3.2 Preferential Creditors

Total preferential claims for wages and holiday pay amount to \$4,619. No dividend has been paid at the date of writing this report.

The Inland Revenue Department have advised that they have a preferential claim in respect of PAYE and GST. The total of these is \$65,979. No dividend has been paid at the date of writing this report.

3.3 Unsecured Creditors

As at the date of preparing this report 18 unsecured creditors' claims have been received which total \$76,399. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as they are in a position to pay a distribution.

6 FUNDS / LIKELY OUTCOME

There will be a shortfall on the amount due to the General Security Holder. At this stage therefore the liquidator does not anticipate paying a distribution to unsecured creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The only matter outstanding is the collection of advances.

9 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators within the next twelve months.


10 CONTACT DETAILS

Enquiries should be directed to the writer on DDI (09) 303 9512 or by email to imclennan@mvp.co.nz.

The Liquidators can be contacted at:

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P O Box 6092
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Auckland 1141



IAIN McLENNAN
LIQUIDATOR

DATED this 28th day of February 2014

Realisations and Distributions

Neil Timber Limited (In Liquidation)
7 December 2007 to 6 December 2013

Realisations	As Per Statement of Affairs \$	Cash Received \$
Accounts Receivable	35,000	68,355
Work in Progress Retentions	12,500	11,111
Sale of Inventory, Machinery, Plant and Equipment	180,000	96,092
Interest Received	-	5,483
MVP Funding	-	21,974
Litigation Recoveries	-	85,380
Total Realisations	\$227,500	\$288,395
Payments		
Liquidators Fees		
Liquidators Fees and Advances		58,348
Disbursements		5,446
Total Liquidators Fees		\$63,794
Other Costs of Liquidation and Trading On		
Residents Withholding Tax on Interest Received		1,073
Trading On Costs – Wages	10,786	
– Materials	250	
– Rent on Premises	38,103	
– Professional Fees	1,040	
	—————	50,179
Auction Costs		6,374
Moving and Storage Costs		33,889
Insurance		970
Fee Reimbursement to Secured Creditor		10,000
Total Costs of Liquidation and Trading On		\$102,485
Distributions		
Secured Creditor – Commercial Factors Limited		53,134
Secured Creditor – Capital and Merchant Finance (First Ranking Receiver)		35,413
Secured Creditor – Capital and Merchant Finance (Second Ranking Receiver)		32,018
Total Distributions to Secured Creditors		\$120,565
Total Payments		\$286,844
BALANCE HELD		\$1,551

Note: the above figures are GST exclusive