



McDonald
Vague

business recovery partners

Taupo Hot Bread Limited (In Liquidation) T/As Brumby's Bakery

Liquidators' First Report

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Taupo Hot Bread Limited ("the company") was placed into liquidation by a special resolution of the shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 4 July 2017. Colin Sanderson and Iain McLennan, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of the company.

2 RESTRICTIONS

In preparing this report and its appendices we have relied upon information provided to us. We have not independently verified or audited that information. 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: Statement of Affairs setting out the company's estimated financial position
- Appendix 2: Schedule of company creditors' names and addresses
- Appendix 3: Notice of Liquidators' decision to dispense with meeting of creditors
- Appendix 4: Notice to creditors to prove debts or claims
- Appendix 5: Creditors claim form

4 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	1 October 2001
Company number:	1165076
Date ceased trading:	2 July 2017

Nature of business:	Hot Bread Shop
Trading address:	28 Heuheu Street, Taupo
Trading name:	Brumby's Bakery
Share capital:	100 Shares
Shareholders:	Diana Margaret Humm Peter Bernard Humm
Directors:	Diana Margaret Humm Peter Bernard Humm
Related companies:	Pedinaki Investments Limited

The directors have advised that the company operated the Brumbys bakery franchise in Taupo and traded profitably until about 7 years ago.

Customer numbers started to reduce and this was made worse by increased competition in the market from other bakeries and from supermarkets. The State highway by-passing Taupo township and changes made to the parking and pedestrian area outside the shop also impacted on customer numbers. The company fell behind with payments of franchise fees and rent. When demand was made on the company, the decision was made to cease trading and liquidate the company.

5 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1. The estimated realisable value of the plant and equipment has not been included so as not to prejudice the sale process.

6 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

The General Security holder is managing the sale of the plant, equipment and vehicle subject to their security. We will realise all the assets available to the liquidators.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties, and take appropriate steps where necessary.

If there are funds available for distribution to creditors we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

7 LIABILITIES AND CREDITOR CLAIMS

7.1 *Secured Creditors*

At the date of liquidation three secured parties had registered security interests against the company on the Personal Property Securities Register.

- Flexirent Specific security over a steam cleaner
- Bidvest Purchase Money Security Interest in stock supplied
- ANZ Bank New Zealand Limited x 2 – general security over assets

Personal Property Securities Act / Reservation of Title

Should any creditor believe that they are entitled to any goods, or proceeds from realisation of goods, due to holding a Purchase Money Security Interest, they should contact us immediately.

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

7.2 *Preferential Creditors*

We estimate that there is approximately \$10,000 owing to former employees for wages, holiday pay and redundancy pay. Details are yet to be confirmed.

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 of approximately \$10,000.

7.3 *Unsecured Creditors*

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$50,455. A schedule of known creditors and their addresses is provided at Appendix 2, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is included at Appendix 4. Also enclosed is a creditor's claim form for completion and return to this office by Friday, 18 August 2017. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor please contact us and the appropriate form will be sent to you.

8 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 3.

Pursuant to Section 314 of the Companies Act 1993, creditors are advised that at any time in the course of the liquidation the Liquidator shall, at the request in writing of any creditor or shareholder, call a meeting for the purpose of appointing a liquidation committee.

9 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence and send it to us. Please note that the Liquidators 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 creditor claim form. This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz

10 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the liquidation.


11 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI (07) 838 0908 or by email to CSanderson@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street, Auckland 1010

P O Box 6092, Wellesley Street, Auckland 1141



IAIN McLENNAN
LIQUIDATOR

DATED this 7th day of July 2017

Taupo Hot Bread Limited (In Liquidation) Statement of Affairs

Statement of Affairs for the above named company as at 2 July 2017 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

ASSETS SPECIFICALLY PLEDGED	<i>Estimated to Realise</i>	<i>Due to Secured Creditor</i>	<i>Deficiency Ranking as Unsecured</i>	<i>Surplus</i>
Lux Steam Cleaner - Flexirent	Unknown	404	Unknown	unknown
<i>Estimated surplus/deficiency as regards specifically pledged assets</i>	<i>\$ -</i>	<i>\$404</i>	<i>\$ -</i>	<i>\$ -</i>
ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS			<i>Book Value</i>	<i>Estimated to Realise</i>
Accounts receivable			700	700
Cash on hand			2,979	2,979
Inventory			1,659	1,659
Total			<u>\$5,338</u>	<u>\$5,338</u>
<i>Less preferential creditors</i>				
Employees (estimated)				10,000
Inland Revenue Department (estimated)				<u>10,000</u>
Total				<u>\$20,000</u>
<i>Estimated deficiency as regards preferential creditors</i>				<u><i>(\$14,662)</i></u>
ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S			<i>Book Value</i>	<i>Estimated to Realise</i>
Estimated surplus from assets specifically pledged			Unknown	-
Plant & Equipment (refer to note 6)			21,392	-
Motor Vehicle			781	5,500
Total			<u>\$22,173</u>	<u>\$5,500</u>
LESS GENERAL SECURITY AGREEMENT HOLDER				
ANZ Bank- first ranking General Security Agreement holder				<u>134,000</u>
Total				<u>134,000</u>
<i>Estimated deficiency as regards General Security Agreement holder</i>				<u><i>(\$128,500)</i></u>
LESS UNSECURED CREDITORS				
Estimated deficiency as regards Secured Creditor				-
Estimated deficiency as regards General Security Agreement holder				128,500
Estimated deficiency as regards preferential creditors				14,662
Trade creditors				<u>50,455</u>
<i>Estimated (deficiency) as regards unsecured creditors</i>				<u><i>(\$193,617)</i></u>

Notes:

- There is no unpaid capital liable to be called up.
- The above estimates are subject to the costs of the liquidation.
- Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
- The General Security Agreement holder's claim will continue to accrue interest until fully paid.
- There is a contingent liability in respect of the lease of the premises.
- The estimated realisable value of the plant and equipment has not been included so as not to prejudice the sale process.

Disclaimer of Liability:

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.

Appendix 2

Taupo Hot Bread Limited (In Liquidation) Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor Names	Address 1	Address 2	Address 3
ANZ Bank New Zealand Limited	P O Box 788	AUCKLAND	
Bidvest New Zealand	1st Floor, 1 Marewa Road	Greenlane	AUCKLAND 1051
Café Coffee & Bakery Systems (NZ) Limited	10F Morningside Drive	Morningside	AUCKLAND 1025
Central Pest Services	P O Box 1757	TAUPO	
Copy Solutions Taupo Limited	P O Box 127	TAUPO	
Elinor Dayan	C/- Rainbow Lodge	99 Titiraupenga Street	TAUPO
Enrique Sala Batuto	2/113 Tuwharetoa Street	TAUPO	
EnviroWaste Services Limited	Private Bag 92 810	Penrose	AUCKLAND 1642
Felicia Carlborg	C/- Finlay Jack Backpackers	20 Taniwha Street	TAUPO
FlexiRent New Zealand	P O Box 90 935	Victoria Street West	AUCKLAND 1142
Goodman Fielder	P O Box 90 433	Victoria Street West	AUCKLAND 1142
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
Jamie Marie Diane Bowman	118 Waikato Street	TAUPO	
Jasco Distributing	P O Box 3010	TAUPO 3352	
Jude Laurie DeRecho	C/- Finns Backpackers	8 Tuwharetoa Street	TAUPO
Luv A Pie Foods Limited	16 Lady Ruby Drive	East Tamaki	AUCKLAND 2013
Mediaworks Radio Limited	P O Box 393	TAUPO 3351	
Paper Plus Taupo	41 - 43 Heu heu Street	TAUPO 3330	
Simply Squeezed	P O Box 71	Bay View	NAPIER 4149
Spark NZ Trading Limited	P O Box 1473	CHRISTCHURCH 8140	
Streamline Solutions 2013 Limited	P O Box 100 137	North Shore	AUCKLAND
Tanco 2012 Ltd	Unit 6 / 20 Owens Place	Mount Maunganui 3116	
Tech Central Limited	P O Box 358	TAUPO 3351	

Appendix 3

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Taupo Hot Bread Limited (In Liquidation) and the likely result of the liquidation, it is proposed to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

We do not, however, wish to preclude creditors from expressing their views. Please contact Colin Sanderson on DDI (07) 838 0908 if you have any specific enquiries.

You are advised that should you desire a creditor's meeting, notice in writing is required within 10 working days of receiving this notice.

At the time of giving notice you must also state the reason you require a meeting so that an agenda can be prepared and advertised and creditors can be given the opportunity to vote on any issue by voting letter.



IAIN McLENNAN
LIQUIDATOR

DATED this 7th day of July 2017

Appendix 4

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Taupo Hot Bread Limited (In Liquidation)
 "trading as Brumby's Bakery"

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of Taupo Hot Bread Limited (In Liquidation) ("the company"), does hereby fix Friday, the 18th day of August 2017, as the day on or before which the company's creditors are to make their claims, and to establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.



IAIN McLENNAN
LIQUIDATOR

DATED this 7th day of July 2017

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

PO Box 6092
Wellesley Street
AUCKLAND 1141

Telephone: (09) 303 0506
Facsimile: (09) 303 0508
Website: www.mvp.co.nz

DATE OF LIQUIDATION: 4 July 2017



The Insolvency & Business Recovery Specialists

McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Particulars of Claim

If the creditor owes money to the company, please give full details.

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$20,340 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
(eg. employee, GST, etc) _____
2. Details of your claim: _____

If applicable please record here your GST Registration number: _____

and total GST included in your tax invoice: \$ _____