

The Media Counsel Limited (In Liquidation)

Liquidators' Eighth Report For the period from 22 April 2013 to 21 October 2013

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Iain McLennan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of The Media Counsel Limited ("the company") on 22 April 2010.

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

Asset Realisations

3.1 GST Refunds (to 31 December 2009)

The liquidators have concluded the process of assessing the true GST refund. We filed the GST return and received a refund.

3.2 Accounts Receivable (as at 31 December 2009)

The liquidators continue to deal with the issues surrounding ownership of debtors' funds, so funds are held pending finalisation of this assessment.

3.3 Furniture and Fittings

The furniture and fittings have been realised. There is still some computer hardware of doubtful value to sell in due course, however this has been retained to assist investigations.

3.4 Litigation in Progress

The liquidators are assisting the Serious Fraud Office ("SFO").

4 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. The liquidators have concluded that the reason for the company's failure lies solely with the director's action of removing funds from the company to fund her lifestyle.

At the time of signing this report the SFO have confirmed that charges have been laid against Glenda Wynyard. The liquidators have been providing further information to the SFO as and when requested.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

There are no secured creditors.

5.2 Preferential Creditors

Total preferential claims for wages or salary, holiday pay and redundancy amount to \$236,069.

The Inland Revenue Department has advised that it has a preferential claim for \$44,883 in respect of PAYE and GST. Following an assessment of the likely cost of challenging the Inland Revenue Department's right to those funds, the liquidators decided the employee creditors would not receive any benefit from the action if taken. Consequently we record that the Inland Revenue Department has received a distribution for this amount.

5.3 Unsecured Creditors

As at the date of preparing this report 98 unsecured creditors' claims have been received which total \$2,216,297. 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, except where the assessment of creditors' claims will assist in advancing the liquidators investigations.

6 SHAREHOLDER'S CURRENT ACCOUNT

Glenda Wynyard was adjudicated bankrupt on 19 August 2010. The liquidators have filed an unsecured creditors' claim with the Official Assignee. The liquidators continue to monitor other avenues against trusts and other parties that benefited directly from the funds advanced by the company.

7 WORK IN PROGRESS

The company also overstated the work in progress at the time of liquidation. No work in progress has been commenced or completed by the liquidator.

8 LIQUIDATORS' FEES

Liquidators' fees to the date of this report are \$117,254 excluding GST. The fees are based on 512 hours of work undertaken as follows:

Work Category	\$
Appointment functions	8,105
Creditors' claims, enquiries and reports	13,694
GST Refunds and Investigations	25,643
Other Asset realisations	5,011
Investigations	36,951
Management and Administration	13,507
Disbursements Including Legal Fees	14,343
Total	<u>\$117,254</u>

9 FUNDS / LIKELY OUTCOME

Given the limited recovery options the liquidators do not anticipate paying any significant distribution to unsecured creditors.

10 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Finalise debtors collection
- Complete the various recovery actions.

11 ESTIMATED DATE OF COMPLETION

Based on the above the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators as soon as practicable.

12 CONTACT DETAILS

Enquiries should be directed to Boris van Delden on DDI (09) 306 3342 or by email to bvandelden@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141



IAIN McLENNAN
LIQUIDATOR

DATED this *23rd* day of October 2013

Realisations and Distributions

The Media Counsel Limited (In Liquidation) 22 April 2010 to 21 October 2013

21 Oct 13

Realisations

Advance from MVP	90
Debtors Recovered	30,306
Interest Received	1,026
Pre Liquidation GST Refund	93,914
Sale of Business	2,548
Total Realisations	127,884

Payments

Liquidators' Fees	
Disbursements	6,035
Liquidators Fees	73,739
Total Liquidators' Fees	79,774
Other Costs of Liquidation	
Bank Fees	161
Legal Fees	525
Repairs & Maintenance	150
Resident Withholding Tax	320
Total Other Costs of Liquidation	1,156
Distributions	
Distribution to IRD by way of Set-off	44,883
Total Distributions	44,883
Total Payments	125,813
BALANCE HELD	2,071