

**THE MEDIA COUNSEL LIMITED
(IN LIQUIDATION)**

LIQUIDATORS THIRD REPORT
Pursuant to Section 255(2)(d)
of the Companies Act 1993

**For the Period from 23 October 2010
to 22 April 2011**

1. PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION

The liquidators report herewith on the progress made in the liquidation of The Media Counsel Limited. Included in this report is the liquidators' Statement of Realisations and Distributions to 22 April 2011.

This second report to creditors follows the first report and should be read in conjunction with the first report. This report is being sent to all shareholders and to all creditors who have filed a claim in the liquidation.

2. REALISATION OF COMPANY ASSETS

2.1 GST Refunds (to 31 December 2009)

The liquidators are yet to complete the process of assessing the true refund. We have been hindered by lack of access to the company's accounting system, which has restricted our ability to file accurate returns.

2.2 Accounts Receivable (as at 31 December 2009)

The company's books and records were misleading. Invoices for Sales that were entered into the accounting system in fact did not belong to the company at all. As a result, the company does not have the level of accounts receivable to be realised by the liquidators as first reported. There is approximately \$150,000 of receivables that we are endeavouring to realise.

The liquidators continue to deal with the issues surrounding ownership of debtors' funds.

2.3 Furniture and Fittings

The furniture and fittings have been realised. There is still some computer hardware to sell.

2.4 Litigation in Progress

This legal claim related to a dispute of an accounts receivable amount which went back several years. The liquidators reviewed the merits of pursuing the claim and it was not in the best interests of the company to do so. As a result, the legal claim has not been pursued, although we reserve the right to do so should the debtors financial circumstances change.

3. CREDITORS' CLAIMS

3.1 Secured Creditors

There are no secured creditors

3.2 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. To date no payment has been made in respect of this claim.

3.3 Unsecured Creditors

As at the date of preparing this report 97 unsecured creditors' claims have been received which total \$2,198,222. 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.

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 companies failure lies solely with the director's action of removing funds from the company to fund her lifestyle.

The director declared herself bankrupt in August 2010 however given the level of mismanagement and what we consider to be the highly questionable actions of the director in late 2009 in regard to the companies trading and financing arrangements we are still finalising reports to a number of government agencies for their consideration.

5. SHAREHOLDER'S CURRENT ACCOUNT

Glenda Wynyard was adjudicated bankrupt on 19 August 2010. The liquidators have filed an unsecured creditor's claim with the Official Assignee. The liquidators are also pursuing other avenues against trusts and other parties that benefited directly from the company.

6. 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.

7. FUNDS / LIKELY OUTCOME

At this stage therefore the liquidator does not anticipate paying a distribution to unsecured creditors.

8. MATTERS DELAYING COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Complete reports into the trading and financing affairs of the company.
- Complete the various recovery actions.

9. CONCLUSION

Based on the above the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators within the next 18 months.

Any queries can be directed to Boris van Delden of these offices on DDI 0-9-306 3342 or by visiting our website at www.mvp.co.nz.

Yours faithfully
for THE MEDIA COUNSEL LIMITED (IN LIQUIDATION)



IAIN MCLENNAN
LIQUIDATOR

DATED this 30th day of June 2011

Number of Company: 1743976

Name of Company: THE MEDIA COUNSEL LIMITED (IN LIQUIDATION)

Subject: LIQUIDATORS STATEMENT OF REALISATIONS AND
DISTRIBUTIONS FOR THE PERIOD 23 OCTOBER 2010 TO
22 APRIL 2011

	Cash Received
CASH HAS BEEN RECEIVED AS FOLLOWS:	\$
Sale of Assets	2,548
TOTAL REALISATIONS	<u><u>\$2,548</u></u>
 CASH HAS BEEN PAID AS FOLLOWS:	
Costs Charges & Expenses of Liquidation	
Liquidators' Fees	1,778
Bank Fees	46
Rubbish Removal	150
TOTAL DISTRIBUTIONS	<u><u>\$1,974</u></u>
 TOTAL REALISATIONS	2,548
LESS TOTAL DISTRIBUTIONS	1,974
BALANCE HELD	<u><u>\$574</u></u>
 BALANCE REPRESENTED BY:	
ASB Bank Limited – Current Account	574
TOTAL	<u><u>\$574</u></u>

Note: The above figures are GST exclusive



IAIN McLENNAN
LIQUIDATOR

Dated this 30th day of June 2011