

Tree Ferns (New Zealand) Limited (In Liquidation)
Liquidators' Fifth Report
For the period from 9 May 2014 to 8 November 2014

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Tree Ferns (New Zealand) Limited ("the company") on 9 November 2012.

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

Statement of Affairs \$Unknown

At the date of liquidation the company had two debtors with a book value of \$24,790. Demand letters were sent to both debtors. Each debt was disputed and having regard to the disputes raised, both debts have been written off.

2.2 Stock

Statement of Affairs \$Unknown

The company was holding a quantity of pre-packaged and unfinished stock at the commencement of the liquidation.

The stock was offered to the existing clients of the business, but as they are based overseas, the quantity of stock available did not justify the shipping costs. No local market for the stock could be indentified and the inability to negotiate a favourable rent agreement meant the best course of action was to disclaim the stock.

2.3 Fixed Assets

Statement of Affairs \$5,000

The fixed assets of the company were secured by way of a General Security Agreement. After viewing the assets and having regard to their location, it was established that the cost of transport and realisation expenses would likely exceed any recovery and the assets were subsequently disclaimed in favour of the General Security Agreement holder.

2.4 Motor Vehicles

Statement of Affairs Nil

As anticipated, there was no equity available for creditors in the vehicle. Therefore, it was returned to the secured party who eventually sold the vehicle at a loss. They have since filed a claim in the liquidation.

4 INVESTIGATIONS

As recorded in the Liquidators' Fourth Report, the Liquidators were negotiating with the director in relation to the overdrawn current account. An agreement was reached on the amount and the director has started payments in reduction of the agreed amount. He has undertaken to increase the rate of payment of make a lump sum payment in full and final settlement when his personal financial situation allows that to happen.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A General Security Agreement holder has advised that they have a claim in the liquidation for \$53,230. Interest continues to accrue on this amount.

5.2 Preferential Creditors

No preferential claims for wages, salary, holiday pay, or redundancy have been received.

The liquidators received a claim in respect to the applicant creditors' Court awarded costs in the amount of \$4,030.

The Inland Revenue Department has advised that it has a preferential claim for \$46,515 in respect of PAYE and GST. To date no payment has been made in respect of this claim.

5.3 Unsecured Creditors

As at the date of preparing this report eleven unsecured creditors' claims have been received which total \$83,837. 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 LIQUIDATORS' FEES

Liquidators' unpaid fees and disbursements to the date of this report are \$23,305 including GST (\$20,265 excluding GST). The fees are based on 110 hours of work undertaken as follows:

Work Category	Hours	\$
Appointment functions	22.0	2,740
Asset realisations	12.4	1,811
Creditors' claims, enquiries and reports	21.0	2,767
Taxation	2.6	380
Investigations	28.4	4,890
Management Functions	23.6	4,080
Disbursements		3,597
Total	110.0	\$20,265

To date fees of \$240 have been recovered. Further fees will be taken when realisations are made.

Liquidators' fees in a Court ordered liquidation is to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

7 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the General Security Agreement holder. Therefore, at this stage the liquidator does not anticipate paying a distribution to unsecured creditors

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matter is outstanding:

- Collection of Shareholders overdrawn current account.

9 ESTIMATED DATE OF COMPLETION

The Liquidators are unable to estimate when the liquidation will be completed as this is dependent on the rate at which the director makes payment of the settlement figure.

10 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:

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Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141



BORIS VAN DELDEN
LIQUIDATOR

DATED this th10 day of November 2014

Realisations and Distributions

Tree Ferns (New Zealand) Limited (In Liquidation) From 9 November 2012 to 8 November 2014

Realisations	Cash Received \$
Current Account Settlement	275
Interest	1
Total Realisations	\$276
Payments	
Liquidators Fees	
Liquidators Fees	240
Total Liquidators Fees	\$240
Total Payments	\$240
BALANCE HELD	\$36

Note: the above figures are GST exclusive