



McDonald
Vague

business recovery partners

Western Property Management Limited (In Liquidation)

Liquidators' Third Report (for the period from 17 November 2016 to 16 May 2017)

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, Chartered Accountants and CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Western Property Management Limited ("the company") on 17 May 2016.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators are reporting on the progress of the liquidation. This third 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

Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party arising from 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 but that become known to us after this report is published.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Sale of Business

(Statement of Affairs: \$275,000)

The liquidators sold the company's business to West Management Limited ("WML") for \$275,000. To date payment of \$255,000 has been received. The purchaser has raised an issue in relation to the unpaid balance of \$20,000. This has yet to be resolved.

3.2 Creditors' Meeting

At the request of one of the company's creditors, a creditors' meeting was held on 27 July 2016.

A quorum was present at the meeting. At the meeting, it was resolved that:

- (a) Peri Micaela Finnigan and Boris van Delden remain the liquidators of the company; and
- (b) No creditors' committee be formed.

4 INVESTIGATIONS

Books and Records

The liquidators' investigations into the books, records, and affairs of the company are ongoing. The following matters have arisen:

Bonds

The liquidators reviewed the company's records relating to bond payments received and have spoken to the Bond Centre. The discrepancies identified in the bond payments has been resolved with assistance from the director.

Rental Account

The liquidators have investigated the transactions through the company's rental account. The investigations are ongoing.

The liquidators are holding funds held in the rent account as at date of liquidation. Those funds will be distributed, once the liquidators have determined who is entitled to the funds held.

Overdrawn Shareholders' Current Accounts

Until the liquidators' investigation of the company's books and records has been completed, the liquidators will not be able to determine whether the shareholder's current account is overdrawn.

Conduct of Director

Shortly before the company's liquidation, the company director entered into an obligation, related to a settlement agreement with a creditor over a disputed claim, that the company was unable to perform when required to do so. The liquidators are continuing to investigate this matter.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

No secured claims have been received to date.

The liquidators are aware of one secured creditor who holds an unregistered security interest in specific personal property belonging to the company as at the date of liquidation. The claim is for \$200,000 however the proportion that is secured has not yet been quantified.

5.2 *Preferential Creditors*

The liquidators have received a preferential claim from a former employee totalling \$80,519.92. After formally reviewing the claim, the liquidators accepted the former employee had a preferential claim for \$8,517.00. The balance of the claim has been treated as unsecured.

Payment of the preferential claim has been made in full. The relevant payroll deductions and employer contributions have been paid to the Inland Revenue Department.

The Inland Revenue Department has submitted a preferential claim for \$64,388 in respect of unpaid GST. The IRD also has a potential preferential claim in respect of unpaid PAYE, student loan deductions, and Kiwi Saver, which is yet to be quantified.

No dividend has been paid in relation to the IRD claim as at the date of this report.

5.3 *Unsecured Creditors*

As at the date of preparing this report, nine unsecured creditors' claim forms have been received. The unsecured creditors' claims total \$150,508.32. This amount includes the unsecured portion of the former employee's claim.

6 FUNDS / LIKELY OUTCOME

At this stage, the liquidators do not anticipate that there will be sufficient recovery to make a distribution to the company's unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are delaying the completion of the liquidation:

- Settlement of the issue surrounding the final payment of the purchase price;
- Completion of the liquidators' investigations into the affairs of the company and the actions of the director;
- Finalising a review of the secured claim;
- Receipt of a revised claim from IRD

8 ESTIMATED DATE OF COMPLETION

It is too early for the liquidators to estimate the date of completion of this liquidation.

9 CONTACT DETAILS

Enquiries should be directed to Marisa Brugeyroux on DDI (09) 306 3340 or by email to mbrugeyroux@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 22nd day of May 2017

Realisations and Distributions

Western Property Management Limited (In Liquidation)

17 May to 16 May 2017

Realisations	As Per Statement of Affairs \$	Cash Received \$
Bank Account Closure	170	Nil
Shareholder Advance	-	2,609
Rental Income Held for Landlord in Trust	-	6,277
Interest Received	-	891
Sale of Business	275,000	255,000
Total Realisations	\$275,170	\$264,777
Payments		
Liquidators Fees		
Liquidators Fees		90,276
Disbursements		2,333
Total Liquidators Fees		\$92,609
Other Costs of Liquidation		
Legal Fees		1,420
Professional Services		614
Residents Tax on Interest		249
Total Costs of Liquidation		\$2,283
Distributions to Creditors		
Preferential Wages and Holiday Pay		8,773
Total Distributions		\$8,773
Total Payments		\$103,665
BALANCE HELD		\$161,112

Note: the above figures are GST exclusive