



The Insolvency & Business Recovery Specialists

Global Textiles Limited (In Liquidation)

Liquidators' Second Report

For the period from 13 March 2015 to 12 September 2015

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Global Textiles Limited ("the company") on 13 March 2015.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This second report should be read in conjunction with the liquidators' previous report. 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 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

3.1 Pre Liquidation Debtors **(Statement of Affairs: \$500,000)**

As at the 13 March 2015 the following amounts were outstanding from Debtors: \$446,168 NZD (including GST), \$180,382 AUD (including GST) and \$14,625 USD.

To date the liquidators have recovered \$305,993 NZD (including GST), \$140,565 AUD (including GST) and \$647 USD from company debtors outstanding as at the date of liquidation.

As at the 12 September 2015 the following amounts were outstanding from pre liquidation debtors: \$140,175 NZD (including GST), \$39,817 AUD (including GST) and \$13,978 USD

There have been a number of debtors who have defaulted on payments. The liquidators have referred them for debt collection, with one proceeding to legal action at this stage.

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CHARTERED
ACCOUNTANTS

3.2 Inventory /Trading on Sales *(Statement of Affairs: \$100,000)*

The liquidators have sold the remaining inventory of the company that was onsite as at the date of their appointment.

From these post liquidation sales the liquidators have collected \$419,858 NZD (excluding GST) from NZ and USD sales. A further \$83,486.61 AUD (excluding GST) has been collected from AUD sales.

There remains \$108,798 NZD (including GST) and \$4,357 AUD (including GST) outstanding from debtors.

3.3 Closure of Bank Account *(Statement of Affairs: \$60,463)*

The liquidators recovered \$59,481 from the closure of the company's NZD and foreign currency bank accounts.

3.4 Sale of Vehicles *(Statement of Affairs: \$55,259)*

The company owned three motor vehicles. These vehicles were sold for \$47,522 (excluding GST)

3.5 Sale of Equipment, Furniture and Fittings

The equipment, furniture and fittings of the company have been sold for \$20,736 (excluding GST)

3.6 Sale of Trademark *(Statement of Affairs: \$20,000)*

The company owned the trademark and brand "Sissy". It was sold to an unrelated third party for \$20,000 (excluding GST).

3.7 Insurance Refund and Interest

The company has received an insurance refund of \$290 (excluding GST) and interest payments of \$305

4 INVESTIGATIONS

The liquidators' investigations into the books, records and affairs of the company are on-going.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim has been received from Westpac Bank in respect of a General Security Agreement for the amount of \$958,159. The secured creditor has received \$698,212 to date. Interest continues to accrue on the remaining amount.

There are no valid purchase money security interests registered over the assets of the company.

5.2 *Preferential Creditors*

Total preferential claims for wages or salary, holiday pay and redundancy amount to \$11,745. This amount has been paid in full.

The Inland Revenue Department have submitted a preferential claim for \$22,142 for GST and PAYE. New Zealand Customs have submitted a preferential claim for \$25,668 relating to unpaid import duty. These claims have been paid in full.

5.3 *Unsecured Creditors*

As at the date of preparing this report 31 unsecured creditors claim forms have been received which total \$172,023.

6 FUNDS / LIKELY OUTCOME

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

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Recover the remaining outstanding debtor amounts.

8 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators within the next year.

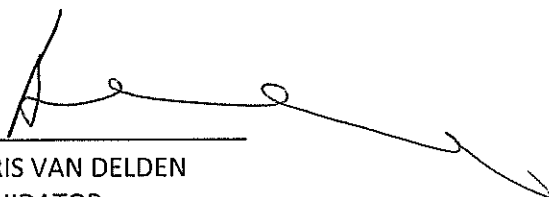
9 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on DDI (09) 969 1518 or by email to kpronk@mvp.co.nz.

The Liquidators can be contacted at:

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BORIS VAN DELDEN
LIQUIDATOR

DATED this 20 day of October 2015

BVD/KP/gck/220
Global Textiles/Reports/4101 Second Report

Realisations and Distributions

Global Textiles Limited (In Liquidation) 13 March 2015 to 12 September 2015

Realisations	As Per Statement of Affairs \$	Cash Received \$
Bank Account Closure	60,463	59,481
Sale of Trademark	20,000	20,000
Trade On Sales & Debtor Recoveries	500,000	955,487
Sale of Vehicles	55,259	47,522
Insurance Refund	-	290
GST payable on AUD supplies		2,029
Interest	-	305
Sale of Equipment, Furniture and Fittings	100,000	20,736
Total Realisations	\$735,722	\$1,105,850
Payments		
Liquidators Fees		
Liquidators Fees		55,125
Disbursements		820
Total Liquidators Fees		\$55,945
Other Costs of Liquidation and Trading On		
Trading On Supplies		83,318
Trading On Shipping		31,624
Trading On Insurance		2,609
Legal Fees		4,524
Salvage Payments		950
Trading On Wages and PAYE		108,754
Rent		11,265
Trading On GST on Sales Invoices		4,406
Auction Commission Fees		20,995
Residents Withholding Tax on Interest		85
Bank Fees		874
Total Costs of Liquidation and Trading On		\$269,404

Distributions

Secured Creditor - Westpac Bank New Zealand Limited	698,212
Preferential - Wages and Holiday Pay	11,746
Preferential – IRD, GST and PAYE	22,142
Preferential - Customs Duty	25,668

Total Distributions to Secured and Preferential Creditors	\$757,768
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Total Payments	\$1,083,117
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BALANCE HELD	\$22,733
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Note: the above figures are GST exclusive