



McDonald
Vague

business recovery partners

MAGNOLIA KITCHEN LIMITED (IN LIQUIDATION)

Liquidators' First Report

McDonald Vague Limited

Level 1, 136 Greenlane East,
Auckland 1051

PO Box 6092, Victoria Street West,
Auckland 1142, New Zealand

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TO: The directors, shareholders and known creditors of the company

1 INTRODUCTION AND APPOINTMENT

Magnolia Kitchen Limited (In Liquidation) ("the company") was placed into liquidation by a special resolution of the shareholders of the company pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 07 October 2022 at 07:00 a.m. Keaton Pronk Licence No: IP107 and Iain McLennan Licence No: IP82, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of the company.

2 RESTRICTIONS

In preparing this report and its appendices, we have relied upon information provided to us. We have not independently verified or audited that information. 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, amend this report to take into account any information existing at the date of this report that becomes known to us after this report is published.

3 INDEPENDENCE

A declaration of independence is attached at Appendix 2. We are not aware of any real or perceived conflicts of interest or risks to our independence.

4 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs
- Appendix 2: Declaration of independence, relationships, indemnities, and upfront payments
- Appendix 3: Schedule of creditors' names and addresses
- Appendix 4: Notice of liquidators' decision to dispense with meeting of creditors
- Appendix 5: Notice to creditors to prove debts or claims
- Appendix 6: Creditors claim form

5 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	16 November 2011	
Company number:	3657631	
New Zealand Business Number:	9429030882065	
Date ceased trading:	6 October 2022	
Nature of business:	Baked goods manufacturing and retail store with attached café.	
Trading address:	6-8 Silverdale Street, Silverdale, Silverdale	
Share capital:	3 shares	
Shareholders:	Bernadette Marie Monk	2
	Harley Gee	1
Directors:	Bernadette Marie Monk	

Magnolia Kitchen Limited (In Liquidation) operated as a baked goods manufacturing and retail store with attached café. in the Silverdale, Auckland area. Magnolia Kitchen Limited (In Liquidation) began operating as an event catering business in 2011, in 2016 this expanded to a sweet cafe which operated out of 29C Silverdale Street, in February 2020 it expanded and relocated to 6-8 Silverdale Street as an eat in sweet cafe, wholesale production and distribution, online retail store while maintaining event catering.

The Liquidators have met with the directors and were advised that the liquidation of the company was the result of cashflow shortages caused increased overheads at the new premise that were unable to be recouped following repeated Covid -19 lockdowns.

The directors have advised that attempts had been made to reduce material costs however that could not be achieved. The shareholders therefore decided that the last remaining option was to close the business.

The business ceased trading on 6 October 2022.

6 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

7 ASSETS AND PROPOSED ACTIONS IN THE LIQUIDATION

We will realise all available assets. The estimated dates for these actions are within the next six months. If any creditor is interested in or knows of any other party who may be interested in purchasing any of the assets, please advise us urgently.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties and take appropriate steps where necessary.

If there are funds available for distribution to creditors, we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

8 LIABILITIES AND CALL FOR CREDITOR CLAIMS

The liquidators have compiled a schedule of the company's creditors and their addresses as required by Section 255(2)(c) of the Act, which is at Appendix 3. The schedule has been compiled from company records and information provided to the liquidators at the time of preparing this report. The schedule may not list all of the company's creditors and all of the parties listed on the schedule may not be creditors of the company.

There are no known contingent creditors. There are no known current or pending proceedings to which the company is a party.

A notice to creditors to prove debts or claims is provided at Appendix 5 and an unsecured creditor's claim form is provided at Appendix 6. If you are an unsecured creditor and you wish to lodge a claim in the company's liquidation, please complete the unsecured creditor's claim form then return the completed form together with supporting documentation to our offices by 18 November 2022. Creditors that have not made a claim by this date may be excluded from any distribution made.

If you believe that you are a secured creditor, you should not complete the unsecured creditor's claim form. Please contact us and request that a secured creditor's claim form be sent to you.

8.1 Secured Creditors

As at the date of liquidation 8 secured parties had registered 16 security interests against the company on the Personal Property Securities Register.

ASB Bank Limited
Atomic Coffee Roasters Limited
Davis Trading Company Limited
Heartland Bank
North Shore Cash n Carry (2015) Limited
Penguin Random House New Zealand Limited
Silver Chef Rentals Limited
Spicers (NZ) Limited

Personal Property Securities Act / Reservation of Title

If you have not registered a financing statement on the PPSR and you believe you have:

- a Purchase Money Security Interest entitling them to any goods in the possession or control of the company and/or proceeds from the realisation of those goods; and/or
- a Reservation of Title over goods;

you should contact us immediately.

8.2 Preferential Creditors

We estimate that there is approximately \$25,129 owing to former employees for wages, holiday pay and redundancy pay.

The Inland Revenue Department has not yet provided us with a creditor's claim form but we understand that there are amounts due in respect of GST, PAYE and other payroll deductions.

We estimate that employee preferential creditors claims may recover 100% in the dollar.

8.3 Unsecured Creditors

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$87,000.

9 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Any creditor or shareholder may at any time in the course of the liquidation request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993, for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

10 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence, and send it to us. Please note that it can be difficult for liquidators to act in reliance on information that is not provided in writing.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on your creditors' claim form.

This report and all subsequent reports will be available on the Liquidators' website at <http://www.mvp.co.nz>

11 ESTIMATED DATE OF COMPLETION

The liquidation will be completed within the next two years.

12 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on DDI +64 (9) 969 1518 or by email to kpronk@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 1
136 Greenlane East, Greenlane
Auckland 1051

P O Box 6092
Victoria Street West
Auckland 1142



Keaton Pronk
LIQUIDATOR (Licence No: IP107)

Dated this 11th day of October 2022

Appendix 1



MAGNOLIA KITCHEN LIMITED (IN LIQUIDATION)

Statement of Affairs

Statement of Affairs for the above named company as at 7 October 2022 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS

	<i>Book Value</i>	<i>Estimated to Realise</i>
Funds on Hand	30,000	25,000
Inventory	100	-
Total	30,100	25,000

PREFERENTIAL CREDITORS

Employees	25,129
Inland Revenue Department	TBC

ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S

	<i>Book Value</i>	<i>Estimated to Realise</i>
Nissan Vanette	10,000	TBC
Property Plant and Equipment	27,000	17,000
Total	37,000	17,000

GENERAL SECURITY AGREEMENT HOLDER/S

Heartland Bank - first ranking General Security Agreement holder	180,000
Total	180,000

UNSECURED CREDITORS

Trade creditors	87,000
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Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
4. The General Security Agreement holder's claim will continue to accrue interest until fully paid.
5. There is a contingent liability in respect of the lease of the premises.

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

MAGNOLIA KITCHEN LIMITED (IN LIQUIDATION)

Declaration of Independence / Relationships / Indemnities and Upfront Payments

A DECLARATION OF INDEPENDENCE

- (i) The appointed and McDonald Vague Limited have undertaken a proper assessment of the risks of independence prior to accepting appointment in accordance with the code of conduct and applicable professional standards and have concluded that they have no prior business or professional relationship with the insolvent that is a real or a potential risk and that they are independent.

B DECLARATION OF RELATIONSHIPS

- (ii) The appointed and McDonald Vague Limited have no prior business or professional or personal relationship with known associates of the insolvent or with the major secured creditors that are a real or potential risk.
- (iii) The appointed disclose there are no other relevant relationships to declare.
- (iv) The appointed and McDonald Vague Limited have not provided any prior professional services to the insolvent or known associates of the insolvent in the prior two years.

C DECLARATION OF INDEMNITIES AND UPFRONT PAYMENTS

- (v) There is no indemnity nor upfront payment.



Keaton Pronk
LIQUIDATOR

Dated this 11th day of October 2022

MAGNOLIA KITCHEN LIMITED (IN LIQUIDATION)

Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor Name	Address 1	Address 2	Address 3	Postcode
Accident Compensation Corporation Afternoon Design	P O Box 3248		Wellington 6140	
Barak Investment Limited	PO Box 93		Silverdale 0944	
Coastwide Pest Control Limited				
Coeliac New Zealand	PO Box 9734	Newmarket	Auckland 1149	
Crombie And Price	Unit 1/ 666 Dominion Rd Balmoral		Auckland	
DeeSees Creations	40 Pukete Road		Hamilton	
DreamIT Web Hosting				
Econowaste				
Forbes Packaging	3A Rothwell Avenue	Albany	Auckland 0751	
FriendlyPak	651B Rosebank Road	Avondale	Auckland 1026	
Go Sweet Spot	L2, 101 Station Road East	Penrose	Auckland 1061	
Green Gorilla	PO Box 13827	Onehunga	Auckland 1061	
Harney & Sons Fine Teas	1/10 Loft Place		Auckland 0810	
HPG Air Limited	Unit 6, 101 Diana Drive	Wairau Valley	Auckland 0627	
Inland Revenue Department	PO BOX 39010	Wellington Mail Centre	Lower Hutt 5045	
Ken - Dishwasher				
Millys				
Office Max Limited C/- MFL Services Limited	PO Box 62075		Auckland	
P&D RENT				
PCP Management Ltd				
Powershop New Zealand Limited				

Appendix 3

Quality Auditing	PO Box 100-455	North Shore Mail Centre	Auckland 0745
Rapid Labels			
Reso Tech			
Reward Hospitality			
Sabato	57 Normanby Road	Mt Eden	
Shopify USD			
Sneedens	PO Box 107-057	Auckland International Airport	Auckland
Sous Chef			
Spark New Zealand Limited	PO Box 1473		Christchurch 8140
Total Refrigeration Limited	PO Box 353	Silverdale 0944	
Trustpower	Private Bag 12023	Tauranga Mail Centre	Tauranga 3143
UBD			
Vitalabs NZ Limited	3B Tarndale Grove	Rosedale	Auckland 0632
Watercare Services Limited	Private Bag 94010		Auckland 2241
ASB BANK LIMITED	PO Box 35	LENDING SERVICES 6035	Auckland
DAVIS TRADING COMPANY LIMITED	PO Box 132159	Sylvia Park	Auckland 1644
Heartland Bank	75 Riccarton Road	Riccarton	Christchurch 8011
NORTH SHORE CASH N CARRY (2015) LIMITED	PO Box 65099	Mairangi Bay	Auckland
PENGUIN RANDOM HOUSE NEW ZEALAND LIMITED	PO Box 437	Ferntree Gully	Victoria 3156, Australia
Silver Chef Rentals Limited	20 Pidgion Close	Brisbane	Australia
ATOMIC COFFEE ROASTERS LIMITED	420C NEW NORTH ROAD	Kingsland	Auckland

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Magnolia Kitchen Limited (In Liquidation) and the likely result of the liquidation, the liquidators propose to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Keaton Pronk of this office on DDI +64 (9) 969 1518 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.



Keaton Pronk
LIQUIDATOR

Dated this 11th day of October 2022

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Magnolia Kitchen Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of Magnolia Kitchen Limited (In Liquidation) ("the company"), fix 18 November 2022, as the day on or before which the company's creditors are to make their claims and establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.



Keaton Pronk
LIQUIDATOR

Dated this 11th day of October 2022

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 1
136 Greenlane East, Greenlane
Auckland 1051

P O Box 6092
Victoria Street West
Auckland 1142

Telephone: +64 (9) 303 0506
Facsimile: +64 (9) 303 0508
Website: <http://www.mvp.co.nz>

DATE OF LIQUIDATION: 07 October 2022



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McDONALD VAGUE LIMITED
PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Unsecured Creditor's Claim (Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993
(For help see www.mvp.co.nz or email
claims@mvp.co.nz)

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL

Telephone Numbers: ()
()

E-Mail

My Reference is:
(if applicable)

* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.

The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.

Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must -
(a) Contain full particulars of the claim; and
(b) Identify any documents that evidence or substantiate the claim.

You may have access to and request correction of any personal information.

(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION:

(IN LIQUIDATION)

I _____
(If claim is made on behalf of creditor, specify relationship to creditor and authority)

claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM:

1. I am an unsecured creditor for
(Also applicable to secured creditors who hereby surrender their security)

\$

2. I am a preferential creditor for
(Refer details on reverse)

\$

3. I am an unsecured creditor for
(State currency if other than \$NZ)

Other
Currency

NZ \$

4. I have claimed retention/reservation of title rights pursuant to rights held by me

Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you.

Tick if Applicable ☐
(Refer details on reverse)

Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.

(The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required to attach any supporting documents** at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED:

Date: / /

WARNING

It is an offence under Section 304(6) of the Companies Act 1993 to -

Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or
Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received
(Date Stamp)

RESERVED FOR OFFICE USE:

Claim admitted/rejected
for voting purposes:
(Delete one)

Signed:

Date: / /

CLAIM REJECTED
FOR PAYMENT:

\$

Ordinary Claim for:

\$

or
CLAIM ADMITTED
FOR PAYMENT:

\$

Ordinary Claim for:

\$

Signed
Liquidator:

Date: / /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.



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McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Particulars of Claim

If the creditor owes money to the company, please give full details

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$25,480 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
(eg employee, GST, etc) _____

2. Details of your claim: _____

If applicable please record here your GST Registration number: _____

and total GST included in your tax invoice: _____

\$