



## Original 'N' Crispy Products Company Limited (In Liquidation)

### Liquidators' Second Report For the period from 25 August 2016 to 24 February 2017

McDonald Vague Limited

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#### 1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of Original 'N' Crispy Products Company Limited ("the company") on 25 August 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 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 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 as at the date of this report but that becomes known to us after that date.

#### 3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

##### *Asset Realisations*

##### **3.1 Trade Debtors**

**(Statement of Affairs: \$Unknown)**

To 24 February 2017, the liquidators have recovered \$12,220.65 in outstanding debtors.

The company still has outstanding debtors, which the liquidators are continuing to pursue. As the liquidators' do not want to prejudice any potential recoveries, no further detail relating to the company's outstanding debtors is being provided at this time.

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### **3.2 Assets** *(Statement of Affairs: \$Unknown)*

#### **3.2.1 Sale of the Business**

The company's intangible assets and most of its fixed assets were sold by the liquidators as a going concern. The purchase price of \$60,000 has been paid to the liquidators.

#### **3.2.2 Other Tangible Assets**

Two machines owned by the company were excluded from the sale of the business. The liquidators have engaged auctioneers to organise sale of these machines.

#### **3.2.3 Vehicles**

The company owned a number of vehicles. None of the vehicles had any equity in them as at the date of liquidation so they were disclaimed by the liquidators.

### **3.3 Interest**

Since the date of liquidation, interest of \$149 has been earned on funds held.

### **3.4 Shareholder's Current Account** *(Statement of Affairs: \$Unknown)*

According to the company's records, the shareholder's current account was overdrawn as at the date of liquidation. The liquidators are investigating the current account further but do not wish to prejudice their position by providing further details of their investigations at this time.

### **3.5 Related Party Debt**

According to the company's records, the director's family trust was a debtor of the company as at the date of liquidation. The liquidators are investigating this debt further but do not wish to prejudice their position by providing further details of their investigations at this time.

## **4 INVESTIGATIONS**

The liquidators' investigations into the books, records and affairs of the company remain ongoing. The liquidators will continue to investigate any matters arising that they consider may lead to a recovery for the company's creditors, including the shareholder's current account balance and the related party debt.

## **5 CREDITORS' CLAIMS**

### **5.1 Secured Creditors**

All financing statements registered on the Personal Property Securities Register as at the date of liquidation have now been discharged.

### **5.2 Preferential Creditors**

The High Court awarded costs and disbursements on the liquidation application to the petitioning creditor totalling \$5,357 and to the IRD as creditor in support totalling \$2,340. As at 24 February 2017, the petitioning creditor's costs were paid in full. The IRD's costs in support have been paid but were paid outside the reporting period.

The liquidators have received preferential claims from seven former employees for wages/salary, holiday pay, and redundancy totalling \$33,591. No distribution has been made to these preferential creditors.

The Inland Revenue Department has submitted a preferential claim for \$32,967. No distribution has been made to the Inland Revenue Department.

### 5.3 *Unsecured Creditors*

The liquidators have received unsecured claims totalling \$147,181. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting unsecured creditors' claims unless there are funds available to pay a distribution to unsecured creditors.

## 6 LIQUIDATORS' FEES

The liquidators' time costing to 24 February 2017 totals \$38,332 excluding GST based on 199.73 hours of work undertaken as follows:

Work Category	Hours	\$
Commencement	46.40	9,706.00
Creditors	22.70	3,860.00
Asset realisations	77.50	15,385.00
Taxation	1.90	285.00
Management	25.73	4,701.33
Investigations and legal	23.70	4,025.00
Statutory requirements	1.80	370.00
<b>Total</b>	<b>199.73</b>	<b>\$38,332.33</b>

The disbursements incurred by the liquidators to 24 February 2017 total \$1,160.24.

The liquidators have charged fees of \$36,822 and disbursements of \$1,094 to 24 February 2017.

Liquidators' fees in a Court ordered liquidation are 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 Companies Act 1993 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

It is too early to determine whether there will be a distribution made to unsecured creditors. Any distribution to unsecured creditors is dependent on the liquidators making sufficient recoveries from any actions taken following the completion of their investigations into the affairs of the company.

## 8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Liquidators' investigations into the affairs of the company
- Realisation of remaining assets
- Collection of remaining debtors

## 9 ESTIMATED DATE OF COMPLETION

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

## 10 CONTACT DETAILS

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

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PERI M FINNIGAN  
LIQUIDATOR

DATED this 15 day of March 2017

# Realisations and Distributions

Original 'N' Crispy Products Company Limited (In Liquidation)  
25 August 2016 to 24 February 2017

Realisations	As Per Statement of Affairs \$	Cash Received \$
Debtors	Unknown	10,627
Interest	-	149
Sale of Assets	Unknown	60,000
<b>Total Realisations</b>	<b>\$Unknown</b>	<b>\$70,776</b>
<b>Payments</b>		
<b>Liquidators Fees</b>		
Liquidators' Fees		36,822
Disbursements		1,094
<b>Total Liquidators Fees</b>		<b>\$37,916</b>
<b>Other Costs of Liquidation</b>		
Insurance		314
Asset Valuation Costs		400
Residents Withholding Tax on Interest		42
<b>Total Costs of Liquidation</b>		<b>\$756</b>
<b>Distributions</b>		
Preferential Creditor – Court Awarded Costs		5,357
<b>Total Distributions to Unsecured Creditors</b>		<b>\$5,357</b>
<b>Total Payments</b>		<b>\$44,029</b>
<b>BALANCE HELD</b>		<b>\$26,747</b>

Note: the above figures are GST exclusive