



McDonald
Vague

business recovery partners

A2B Homes Limited (In Liquidation)

Liquidators' Final Report

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Accredited Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of A2B Homes Limited ("the company") on 14 June 2018 by a special resolution of the shareholder.

Pursuant to section 257(1)(a)(i) of the Companies Act 1993 ("the Act") the liquidators herewith report to all creditors and shareholders that the liquidation of the company has been completed. This final report should be read in conjunction with the liquidators' previous reports.

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 REALISATION OF ASSETS

A2B Homes Limited ("A2B") purchased a property for \$2.2 million funded by vendor finance and external loans. At March 2018, the company had external borrowings of \$3.36 million.

A2B entered into a contract with a builder for \$822,000 plus a margin on costs incurred. The total contract and costs ended up at \$1,54 million, well above the original anticipated build price.

During the period A2B was required to refinance loans which incurred additional and unanticipated loan fees, liquidated damages, and legal fees. The financial accounts at March 2018 record total operating and administration costs for the period of the development at \$1.2 million (this comprises loan fees, interest, risk fees, legal fees, and other administration costs).

A2B took over a project from another developer and soon after faced issues with Council. The director has explained there were significant delays leading to extra costs. The total purchase price, plus the building contract costs, plus the additional building costs paid, plus financing costs of \$1.2 million well exceeded the final sale proceeds of \$3.6 million. The project lost in excess of \$1.3 million.

The company was not in a position to return GST on the sales nor pay the builder in full.

There are no known assets. The duration of the contract and additional costs support the directors advice that delays led to loss. The director contributed personal funds to honour certain company obligations.

4 CREDITORS

4.1 *Preferential Creditors*

The Inland revenue Department has a preferential claim for GST on the sale of the 5 properties in May and June 2018. This claim is for \$494,067.

4.2 *Unsecured Creditors*

The liquidators received two unsecured claims totalling \$799,598.

As anticipated in the Statement of Affairs, there are no funds available for distribution to creditors.

5 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. There were no matters that came to the knowledge of the liquidators that could eventuate in a benefit to creditors.

6 COMPLETION OF LIQUIDATION

The liquidation of the company is now complete. A statement of realisations and distributions is not attached as there have been no realisations or distributions during the course of the liquidation. The company is ready to be removed from the New Zealand Register ("the register").

7 REMOVAL OF COMPANY FROM THE REGISTER

The liquidators have given public notice pursuant to Section 320(4) of the Act of the intention to remove the company from the register.

The attention of all creditors or shareholders is drawn to Section 321 of the Act which provides that any person may send to the Registrar of Companies, not later than the date specified in the notice, an objection to the removal on any one or more of the following grounds:

- (a) That the company is still carrying on business or there is other reason for it to continue in existence; or
- (b) That the company is party to legal proceedings; or
- (c) That the company is in receivership, or liquidation, or both; or
- (d) That the person is a creditor, or a shareholder, or a person who has an undischarged claim against the company; or
- (e) That the person believes that there exists, and intends to pursue, a right of action on behalf of the company under Part 9 of the Act; or
- (f) That, for any other reason, it would not be just and equitable to remove the company from the New Zealand register.

Note: Section 321(2) of the Act provides that a claim by a creditor or a shareholder or any other person against a company is not an “undischarged claim” if a receiver or liquidator has notified that person that the company has no surplus assets.

The date by which objections must be lodged with the Registrar is 16 November 2018.

8 PREVIOUS REPORTS

Creditors are advised that all previous reports relating to the conduct of the liquidation are available on the liquidators' website www.mvp.co.nz.

9 CONTACT DETAILS

Enquiries should be directed to the writer on (09) 303 9519 or by email to pfinnigan@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 9th day of October 2018