



McDonald
Vague

business recovery partners

BG Projects Limited (In Liquidation)

Liquidators' Second Report For the period from 17 December 2019 to 16 June 2020

McDonald Vague Limited
Level 10, 33 Federal Street
Auckland Central

P O Box 6092
Victoria Street West
Auckland 1142
New Zealand

p: 09 303 0506
f: 09 303 0508

e: insol@mvp.co.nz
www.mvp.co.nz

1 INTRODUCTION AND APPOINTMENT

Iain McLennan and Peri Micaela Finnigan, RITANZ Accredited Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of B G Projects Limited ("the company") on 17 December 2019 by the High Court at Auckland.

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 Fixed Assets

(Statement of Affairs: \$3,300)

The assets were sold and realised \$2,783. The proceeds less costs of sale will be distributed to the secured creditor.

3.2 Shareholder Current Account

The amount of \$11,500 was recovered on the overdrawn shareholders current account.

4 INVESTIGATIONS

Initially the director indicated he would offer a compromise to his creditors and seek to take the company out of liquidation and complete work in progress. This did not happen. The director was unable to raise sufficient funds, nor trade on his own account and did not complete any work in progress.

The liquidators have completed their investigations into the books, records, and affairs of the company. Certain creditors provided detailed information regarding the company and are advancing their own independent actions.

The liquidators pursued an overdrawn current account and made a partial recovery. The liquidators sought further funds from the director which the director planned to source from an offshore financier. Significant time was spent chasing the director for these funds to advance to his creditors. During the process however the director was adjudicated bankrupt putting an end to this prospect of recovery.

Many of the individual creditors have their own remedies they can pursue including for some lodging claims in the bankruptcy estate where personal guarantees are held. The liquidators are aware of allegations regarding the director's activities. There is no benefit in furthering investigations now the director is bankrupt. It is understood certain creditors have advanced formal complaints.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

Four secured claims have been received totalling \$147,895. Interest continues to accrue on the amounts claimed. The liquidators investigated the claims and the securities and established one security was a voidable charge (being a security registered over past advances) and gave notice to that effect. A small distribution is payable to the first ranking GSA holder, Prospa Pty Ltd from net proceeds of sale of assets.

5.2 *Preferential Creditors*

A preferential claim from the applicant creditor has been received in the sum of \$5,726. No funds are available to distribute to the preferential creditors.

The Inland Revenue Department has submitted a preferential claim for \$2,360. No distribution has been paid nor is likely.

5.3 *Unsecured Creditors*

As at the date of preparing this report 22 unsecured creditors claim forms have been received which total \$501,661. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims unless we are in a position to pay a distribution.

6 LIQUIDATORS' FEES

Liquidators' fees to the date of this report are \$13,194 including GST (\$11,473 excluding GST). The actual hours worked are 112 hours but these are not fully charged or recoverable. The billed time is as follows:

Work Category	Actual hrs	\$billed
Appointment functions and statutory	26	4,338
Asset realisations	13	553
Creditors' claims, enquiries and reports	41	4,552
Taxation	7	15
Investigations and Management	25	2,015
Total	112	\$11,473

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 Act 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

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

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Distribution to secured creditor
- Completion of Liquidation

9 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 two months.

10 CONTACT DETAILS

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

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 33 Federal Street, Auckland 1010

P O Box 6092, Victoria Street West, Auckland 1142



PERI M FINNIGAN
LIQUIDATOR

DATED this 10th day of July 2020

Realisations and Distributions

BG Projects Limited (In Liquidation) From 17 December 2019 to 16 June 2020

Realisations	As Per Statement of Affairs \$	Cash Received \$
Shareholder Current Account	-	11,500
Fixed Assets	3,300	2,783
Total Realisations	\$3,300	\$14,283
Payments		
Liquidators Fees		
Liquidators Fees		11,473
Disbursements		331
Total Liquidators Fees		\$11,804
Total Payments		\$11,804
BALANCE HELD		\$2,478

Note: the above figures are GST exclusive