



McDonald
Vague

business recovery partners

**Blossom 5 Limited
(In Liquidation)**

**Liquidators' Third Report
For the period from 29 November 2020
to 28 May 2021**

McDonald Vague Limited
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1 INTRODUCTION AND APPOINTMENT

Iain McLennan and Keaton Pronk, Licensed Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of Blossom 5 Limited ("the company") on 29 May 2020 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 third report should be read in conjunction with the liquidators' previous reports. 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

The liquidators continued to trade the business, with five tenants paying rent and operating expenses, whilst engaging with the landowner and endeavouring to find a buyer for the assets. No buyer was identified, and the ground lease was terminated on 31 January 2021.

Asset Realisations

3.1 Debtors

(Statement of Affairs: \$31,873)

The amount of \$39,776 has been recovered. The amount recorded in the company's records as owed by the landlord is not owed. There are no further accounts receivable to recover

3.2 Related Party Loan

(Statement of Affairs: \$51,002)

The full amount of the related party loan has been recovered

3.3 Motor Vehicles

(Statement of Affairs: \$44,000)

The BMW motor vehicle was subject to security in favour of BMW Financial Services. The vehicle was returned to the secured creditor. There was no equity in it for the company.

4 INVESTIGATIONS

The liquidators have completed their investigations into the books, records, and affairs of the company. No matters were identified that can be pursued for the benefit of creditors.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim has been received from Jeicy S C Huang and Hsiang-chieh Chen in respect of a General Security Agreement for the amount of \$44,113. The claim has been accepted by the liquidators and it is anticipated that a distribution will be made.

5.2 Preferential Creditors

A preferential claim has been received in respect of the applicant creditor's costs of \$3,346. This amount has been paid in full.

5.3 Unsecured Creditors

As at the date of preparing this report five unsecured creditors claim forms have been received which total \$864,309. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution.

6 LIQUIDATORS' FEES

Liquidators' fees accrued to the date of this report are \$67,425 excluding GST. The fees are based on 233.02 hours of work undertaken as follows:

| Work Category | Hours | \$ |
|--|---------------|---------------|
| Appointment functions | 24.68 | 6,196 |
| Asset realisations & Trading on | 94.22 | 30,172 |
| Creditors' claims, enquiries and reports | 21.82 | 6,555 |
| Taxation & Management | 61.95 | 14,697 |
| Investigations | 30.35 | 9,805 |
| Total | 233.02 | 67,425 |

Fees taken to the date of this report amount to \$67,181 excluding GST.

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

As there will be a shortfall to the secured creditor, there will be insufficient funds for a distribution to unsecured creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Finalise the administration of the liquidation and make distribution to the secured creditor.
- An application to the High Court for retrospective approval of the liquidators' fees

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 6 months.

10 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI (07) 838 0908 or by email to CSanderson@mvp.co.nz.



The Liquidators can be contacted at:

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IAIN MCLENNAN
LIQUIDATOR

DATED this 2nd day of June 2021

Realisations and Distributions

Blossom 5 Limited (In Liquidation) 29 May 2020 to 28 May 2021

| Realisations | Cash Received \$ |
|--|------------------------|
| Entrust Dividend | 280 |
| Related Party Recoveries | 51,003 |
| Debtors | 39,776 |
| Rental Income | 222,617 |
| Opex income | 47,118 |
| IRD Income Tax refund | 28 |
| Post liquidation GST refund | 45,553 |
| Pre Liquidation GST refund | 3,736 |
| Total Realisations | \$ 410,111 |
| Payments | |
| Liquidators Fees | |
| Liquidators Fees | 67,181 |
| Disbursements | 338 |
| Total Liquidators Fees | \$ 67,519 |
| Other Costs of Liquidation and Trading On | |
| Insurance | 3,557 |
| Trading on Maintenance | 2,227 |
| Trading on power | 17,796 |
| Trading on water | 2,141 |
| Ground rent | 284,566 |
| Selling costs | 4,705 |
| GST Paid on trading on income | 10,205 |
| Total Costs of Liquidation and Trading On | \$ 325,197 |
| Distributions | |
| Applicant creditor costs | 3,346 |
| Total Distributions to Creditors | \$ 3,346 |
| Total Payments | \$ 396,062 |
| BALANCE HELD | \$ 14,049 |

Note: the above figures are GST exclusive