



McDonald
Vague

business recovery partners

CDC SERVICES LIMITED (IN LIQUIDATION)
Formerly known as Clark Global Limited until 4 Nov 2021

McDonald Vague Limited
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Liquidators' Second Report
For the period from 17 November 2021 to 16 May 2022

1 INTRODUCTION AND APPOINTMENT

CDC Services 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 8 November 2021, Craig Young was appointed as liquidator of the company.

Keaton Pronk and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, subsequently replaced Craig Young and were appointed jointly and severally as liquidators of CDC Services Limited (In Liquidation) on 17 November 2021.

This report has been prepared pursuant to Section 255(2)(d) of the Companies Act 1993 (**Act**) for the purpose of reporting on the liquidation of the Company. A Statement of Realisations and Distributions is **attached** as Appendix 1.

The report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

2 RESTRICTIONS

This report should be read in conjunction with the previous liquidators' first report.

This report has been prepared using the information known to us. We have not independently verified the accuracy or reliability of the information provided or undertaken audit of the Company. 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 at the date of this report which becomes known to us after that date.

3 UPDATED INTERESTS STATEMENT

We are not aware of any circumstances, relationships, or other facts that create, or could reasonably be perceived as creating, a conflict of interest for us in relation to our independence as liquidators.

4 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

During the reporting period, we have:

- Recovered and Realised a number of Vehicles
The liquidators have recovered a number of vehicles previously owned by the company that were transferred to related parties of the director prior to the appointment of the original liquidator. These vehicles have been sold at auction and have recovered \$133,649 (excluding GST and costs) to date. One vehicle remains with the auctioneer to be realised.
- Sale of Assets from the Premise
The liquidators have entered the premise and realised items of value through auction.

Since our appointment, we have:

- Met with and interviewed the director and other parties with knowledge of the affairs of the Company
- Uplifted and reviewed what Company's books and records were available at the premise
- Investigated the affairs of the Company and the reasons for its failure
- Reviewed the directors current account, related party transactions and expenses of the business including detailed review of what it purchased from a number of suppliers.
- Instructed legal counsel to assist in recoveries and filed proceedings in the High Court
- Made a distribution to employees under their preferential claims
- Reviewed the creditor claims in the liquidation
- Further company books and records have been requested from the director, to date these have not been provided
- Scheduled a formal examination of the director to provide all company books and records and answer question under oath
- Corresponded with and updated the creditors committee on all recoveries and investigations to date

5 INVESTIGATIONS

The liquidators investigations into the books, records and affairs of the company is ongoing.

At present there are a number of avenues of recovery against the director and related parties that are being investigated. These include but are not limited to insolvent transactions, related party payment and overdrawn shareholder current account.

The liquidators have sought the director's cooperation and the examination forms part of the investigation steps.

There are no known current or pending proceedings for which the company is a party.

6 CREDITORS' CLAIMS

In the interest of minimising liquidator's fees, the liquidators will only formally accept or reject creditors' claims if there are funds available to pay a distribution.

The following claims have been received:

CLAIMS RECEIVED	NUMBER	VALUE	DISTRIBUTIONS	¢ IN THE \$
GSA Holders	0	0	0	0
Specific Securities (PMSI)	1	8,789	0	0
Employee Preferential Claims	2	7,179	7,179	100
IRD Preferential Claims	1	90,200	3,715	4
Unsecured Claim	8	1,025,144	0	0

Preferential employee claims have been paid in full as at the date of this report. A further preferential distribution had been paid to IRD in relation to the employee deductions taken by the company.

No other distributions have been made to creditors as at the date of this report.

7 FUNDS / LIKELY OUTCOME

It is too early to determine whether or not there will be a distribution to unsecured creditors. This will be dependant on whether there are any claims identified by the liquidators from which recoveries may come following further investigations.

9 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Examination of the director
- Review of company books and records
- Progressing recoveries against 3rd parties

We estimate the date of completion of the liquidation will be in the next two years.

10 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:

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Keaton Pronk
LIQUIDATOR (Licence No: IP107)

Dated this 31st day of May 2022

Realisations and Distributions			2nd report	
		1st report Statement of Affairs	Statement of Realisations and Distributions	
CDC Services Limited (In Liquidation)				
17 November 2021 to 16 May 2022				
	notes	SOA	R&D	difference
Realisations				
Bank Account Closure	1	18,450	-	(18,450)
Sale of stock		-	5,105	5,105
Debtors	2	22,728	-	(22,728)
Sale of Vehicles		-	128,544	128,544
Total Realisations		41,178	133,649	92,471
Payments				
Liquidators Fees				
Liquidators Fees		-	82,824	(82,824)
Disbursements		-	151	(151)
Total Liquidators Fees		-	82,976	(82,976)
Other Costs of Liquidation and Trading On				
Legal Fees		-	8,567	(8,567)
Debt Collection Costs		-	-	-
Sundry Costs- Motor Vehicle		-	142	(142)
Commissions		-	14,142	(14,142)
Total Costs of Liquidation and Trading On		-	22,852	(22,852)
Distributions				
Secured Creditor		-	-	-
Preferential Wages and Holiday Pay		-	7,179	(7,179)
Preferential GST and PAYE		-	3,715	(3,715)
Dividends to Unsecured Creditors		-	-	-
Total Distributions to Unsecured Creditors		-	10,894	(10,894)
Total Payments		-	116,721	(116,721)
BALANCE HELD		41,178	16,928	
Reasons for material differences:				
1 As at the date of liquidation there were no funds in the company bank account				
2 The outstanding debtors are claims against customers for incomplete work and are unlikely to be recoverable				

Appendix One

CDC SERVICES LIMITED (IN LIQUIDATION) BREAKDOWN OF LIQUIDATORS REMUNERATION AND EXPENSES FOR THE PERIOD OF THE LIQUIDATION

17 November 2021 to 16 May 2022

Time costs by Position and Work Type													
	Hourly rate	Appointment Functions		Asset Realisation		Creditors & Report		Management & Tax		Investigation		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Directors /Partners /Consultants/Liquidators	\$400	8	3,200	3	1,200	11	4,400	1	400	3	960	26	10,160
Forensic Accountants / Associates	\$300 - \$380			85	29,016	33	10,392	4	1,304	84	26,054	206	66,766
Insolvency Managers	\$140 - \$280	10	2,638									10	2,638
Insolvency Accountants	\$140 - \$200	2	360			4	760					6	1,120
Secretarial & Clerical Assistants	\$50 - \$170							15	2,140			15	2,140
Total		20	6,198	88	30,216	48	15,552	20	3,844	87	27,014	263	82,824

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	151
Total	151

Work completed includes but is not limited to:

Appointment	All matters on the commencement of the appointment
Creditors	All communications, claims, reporting, enquiries
Asset Realisations	All matters in respect of the potential sale of assets/business/IP and subsequent sale of assets including trading/debtors
Management & Tax	All matters in respect of statutory reporting and the management of the file
Investigation	Analysis of bank statements, review of historic transactions and accounts to identify avenues for recovery