



McDonald
Vague

business recovery partners

EXFC16 Limited (In Liquidation)
(formerly known as Federation Clothing Limited)
Traded as Federation

Liquidators' Third Report
(for the period from 10 August 2016
to 9 February 2017)

McDonald Vague Limited

Level 10, 52 Swanson Street,
Auckland Central

PO Box 6092, Wellesley Street,
Auckland 1141, New Zealand

p: 09 303 0506

f: 09 303 0508

e: insol@mvp.co.nz

www.mvp.co.nz

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators EXFC16 Limited ("the company") on 10 February 2016.

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

Asset Realisations

3.1 Pre and Post Liquidation Debtors

(Statement of Affairs: Unknown)

To date the liquidators have collected \$72,055 from pre and post liquidation debtors.

Outstanding debtors of \$5,700 remain that have been referred to debt collections.

4 INVESTIGATIONS

The liquidators have commenced their investigations into the books, records and affairs of the company. As a result of the investigation the following matters arose:

The prosecution before the Auckland High Court by New Zealand Customs Service against the company has been resolved. The company has had fines awarded against it. The liquidators have filed an appeal in the Auckland High Court. This matter is ongoing.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim remains outstanding to ASB Bank under their General Security Agreement. As at the date of this report the liquidators have paid a distribution to the secured creditor of \$524,725 from the company.

5.2 Preferential Creditors

A preferential claim has been received from the employees amounting to \$2,841. A distribution was made to the employees for their preferential claims of \$2,841.

A preferential claim has been received from the Inland Revenue Department for the amount of \$12,061. No dividend has been paid to the Inland Revenue Department under their preferential claim as at the date of this report.

A preferential claim has been received from the New Zealand Customs Service for the amount of \$163,159. No dividend has been paid to the New Zealand Customs Service under their preferential claim as at the date of this report.

5.3 Unsecured Creditors

At the date of preparing this report, 40 unsecured creditor claim forms have been received totalling \$362,781. 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 FUNDS / LIKELY OUTCOME

It is too early to determine whether or not there will be a distribution to unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Resolving the New Zealand Customs Service prosecution appeal

8 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 year.

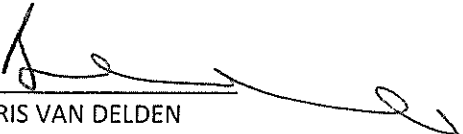
9 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on DDI (09) 969 1518 or by email to kpronk@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141


BORIS VAN DELDEN
LIQUIDATOR

DATED this 9th day of February 2017

Realisations and Distributions

EXFC16 Limited (In Liquidation) (formerly known as Federation Clothing Limited) 10 February 2016 to 9 February 2017

Realisations	As per Statement Of Affairs \$	Cash Received \$
Bank Account Closure	2,774	1,876
Pre and Post Liquidation Debtors	Unknown	72,055
Management Fees	-	17,331
Sale of Stock	-	141,117
Interest	-	1,157
Sale of Fixed Assets	Unknown	153,548
Goodwill and Intellectual Property	Unknown	288,000
Pre-liquidation GST Refund	-	139,183
Total Realisations	\$2,774	\$814,267
Payments		
Liquidators Fees		
Liquidators Fees		109,208
Disbursements		3,475
Total Liquidators Fees		\$112,683
Other Costs of Liquidation and Trading On		
Accident Compensation Corporation		101
Commission Fees		3,036
Legal Fees		10,053
Insurance		585
Salvage Payments		11,388
Wages and PAYE		51,598
Contractors		18,099
Rent		9,050
Trading On Suppliers		12,471
Residents Withholding Tax		324
Total Costs of Liquidation and Trading On		\$116,975
Distributions		
Secured Creditor		524,725
Preferential Wages and Holiday Pay		2,841
Total Distributions to Creditors		\$527,566

Total Payments	\$757,224
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BALANCE HELD	\$57,043
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Note: the above figures are GST exclusive