



McDonald
Vague

business recovery partners

Hayfield SHA Limited (In Liquidation)

Liquidators' Ninth Report for the period from 5 October 2022 to 4 April 2023

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1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Licensed Insolvency Practitioners, of Auckland, were appointed jointly and severally as liquidators of Hayfield SHA Limited ("the company") on 5 April 2019.

On 25 June 2022 Peri Finnigan retired as liquidator and Iain McLennan was appointed replacement liquidator.

On 4 April 2019, Andrew John McKay and Andrew James Bethell of BDO Auckland, were appointed joint and several receivers and managers of the company pursuant to a General Security Agreement ("GSA") dated 10 December 2018. The receivers retired on 5 July 2019 having paid the appointing creditors in full.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This 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 Realizations 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 Debtors

(Statement of Affairs: \$2,412,028)

All invoiced debtors have been collected by either the receivers or liquidators except for one landowner. There are difficulties with the funding arrangements for that landowner however that landowner has in the last few months before the cut off of this report engaged constructively with

the liquidators as a result of a desire to advance the development of its land. Negotiations are underway. This funding will assist paying down the amounts owed to creditors.

Realising the assets of the Company relies partly on advancing completion of the project with the landowners.

3.2 Work in progress

The works are part completed and remain an asset of the company. As previously reported works are advancing along the watermain route.

To advance the works further the liquidators had agreed to vary the funding arrangements with two stage 1 landowners who are funding the completion of a significant portion of the remaining watermain work. Work had restarted however stopped as significant unforeseen difficulties had arisen in the physical pathway for the watermain works. As outlined in our previous report an in principle resolution was concluded including re-routing of the watermain, an increase in water capacity and new funding introduced with new landowners projected to meet approximately half of the remaining cost to complete.

The details are unfortunately still being finalised, as the variation of the watermain works required new approved drawings, consents, costs to complete, re-tendering and contractor engagement, and the introduction of funding from new landowners. Originally there was an expectation of more new landowners being able to connect however Veolia has indicated it will not approve all new landowners and it is confirming which new landowners it will allow to connect.

The aim to have the works completed in this works season is as a result likely to be extended to later this year. The watermain works could be completed in August/September 2023.

Parties have also approached the liquidators with regard to completing some of the remaining non watermain works. The proposals received are more complex than with the watermain work and are being assessed.

3.2.1 Indemnity

As part of the watermain arrangements the two landowners have paid \$96,000 and \$21,000 towards the liquidation funding indemnity and costs contributions respectively, arising from the contractual variations.

3.2.2 Stage 2 Landowners

The liquidators continue to engage with the 3 stage 2 landowners including newly introduced landowners following some properties changing hands, with a view to finishing the remaining non watermain work in one stage, receiving catch up payments and a large portion of the funding for an overall resolution with creditors. The liquidators have determined that the non watermain work will not restart until repayment arrangements are in place for the pre liquidation creditors.

3.3 Closure of Company Bank Account

(Statement of Affairs: \$22,797)

No further funds have been received since the last report.

3.4 Cash on Hand – Receiver

No further funds have been received since the last report.

3.5 Retentions on Hand – Receiver

The liquidators received \$174,364 in retentions. The pre liquidation retentions resolution was concluded in late 2021.

3.6 Tax Refund **(Statement of Affairs: \$7,647)**

The liquidators are filing the company income tax return claiming a tax refund of \$7,647.

3.7 Solicitors Trust Account **(Statement of Affairs: \$256,686)**

These funds were collected by the Receivers. No further funds have been received since the last report.

3.8 Interest Received

During the course of the liquidation, interest has continued to be earned on funds held.

4 INVESTIGATIONS

The liquidators are currently dealing with a wide range of issues with a view to resolving those matters, with the involvement of landowners, and the major creditors in order to make distributions to all creditors.

The company director has cooperated as required in the investigations to date.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

Secured creditors debts of approximately \$1,441,890 (incl Interest) have been paid in full by the receivers.

5.2 Preferential Creditors

While no preferential claims have yet been received from the Inland Revenue Department the liquidators are aware that there is an outstanding GST return yet to be filed which will result in a preferential claim in relation to GST of approximately \$92,000.

5.3 Unsecured Creditors

As at the date of preparing this report 18 unsecured creditors claim forms have been received which total \$12.249 million plus on one case interest and costs. The significant increase arises from 5 landowners lodging claims for amounts that are not due contractually or at the date of liquidation. The liquidators will continue to engage with the creditors in relation to accepting or rejecting their claims in the liquidation.

The High Court released its decision following the third party creditor challenge summarized in our previous report. The High Court dismissed the applications. The creditor has paid the liquidators' agreed scale court costs in the reporting period.

The creditor is appealing elements of the High Court decision which in the liquidators' opinion is likely to create further delays in resolving matters for all creditors.

The liquidators have negotiated an in-principle agreement to reduce one other third party creditors claim. This means that third party creditor claims have reduced to below \$4 million (incl GST).

6 LIQUIDATORS' FEES

Liquidators' fees paid to the date of this report are \$487,251 excluding GST. The fees are based on 1,394 hours of work undertaken as follows:

Work Category	Hours	\$
Commencement, dealing with receivers	96	26,855
Creditors' claims, enquiries and Statutory reports	479	184,733
Landowners' claims, collections and dealings	519	171,178
Taxation and GST	75	15,693
Watermain Issues	224	88,792
Total billed Time and Costs	1,394	\$487,251

7 FUNDS / LIKELY OUTCOME

It remains likely that there will be a distribution to unsecured creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Remaining funding /works resolution to assist with collection for creditors
- Collection of outstanding amounts from landowners
- Accepting or rejecting creditor claims
- Distribution
- Completion of liquidation

9 ESTIMATED DATE OF COMPLETION

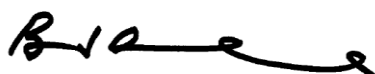
It is not practical to estimate the date of completion of the liquidation at this stage. Our subsequent reports to creditors will, when appropriate, advise of an estimated completion date.

10 CONTACT DETAILS

Enquiries should be directed to the writer on DDI (09) 306 3342 or by email to bvandelden@mvp.co.nz. The Liquidators can be contacted at:

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BORIS VAN DELDEN
LIQUIDATOR

DATED this 21st day of July 2023

BVD/220
Hayfield Sha/Reports/4101 Ninth Report

Realisations and Distributions					
Hayfield Sha Limited (In Receivership & In Liquidation)					
5 April 2019 to 4 April 2023					
Realisations			Receivership	Liquidation	Watermain works
Cash on Hand -Receivers Appointed			611,969		
Retentions on Hand -Receivers Appointed			174,364		
ANZ Bank Account Closure				22,757	
New Watermain Works					2,031,922
GST refund			33,408	149,075	
Funds Received from Receivers		Note 1		95,844	
Retentions Received from Receivers		Note 1		174,364	
Settlement from Two Landowners				96,000	
Reimbursement of Legal and Liquidators Fees				21,000	
Court Costs Recovered				60,214	
Ellis Gould Trust Account funds				241,629	
Collection of Accounts Receivable -Receivers Appointed			899,323		
Collection of Accounts Receivable -Liquidators Appointed				261,901	
Interest Received			2,324	16,281	
Interest Received -Landowners			40,891	11,257	
Total Realisations			1,762,280	1,150,322	2,031,922
Payments					
Receivers / Liquidators Fees					
Receivers Fees			45,802		
Receiver Legal Fees			43,692		
Liquidators Fees				398,459	88,792
Liquidator Legal Fees				184,531	
Expert Evidence Fees				7,709	
Disbursements				596	
Total Receivers / Liquidators Fees			89,494	591,294	88,792
Cost of Liquidation					
Consultants Fees					198,209
Watermain Works -Veolia Salvage Payment					81,295
Watermain Works Construction					1,601,953
Watermain - Legal fees					17,000
H & G Costs				89,975	
Building Disputes Tribunal				107,450	
Fence Site Rental				6,653	
Resident Withholding Tax on Interest				4,456	
Total Costs of Liquidation and Trading On				208,534	1,898,458
Distributions					
Secured Creditor			1,309,536	210,112	
Secured Creditor Interest Paid			93,041		
Retentions Paid				140,003	
Preferential GST and PAYE				250	
Funds paid to Liquidators		Note 1	270,208		
Total Distributions			1,672,785	350,365	
Total Payments			1,762,279	1,150,194	1,987,250
BALANCE HELD			0	129	44,672
Note 1: Receivers paid \$270,208 to the liquidators. Theses funds consist of cash in bank of \$95,844 and retentions of \$174,364.					