



McDonald
Vague

business recovery partners

Hayfield SHA Limited (In Liquidation)

Liquidators' Seventh Report for the period from 5 October 2021 to 4 April 2022

McDonald Vague Limited
Level 10, 33 Federal Street
Auckland Central

PO 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

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 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. Further funds are being sought for amounts that had not been invoiced to various landowners as at the date of receivership and liquidation but there are disputes to resolve, including the work stages put in place pre-liquidation.

3.2 Work in progress

The works already in the ground are company assets until they vest into the public network. The works are part completed. To advance the works further the liquidators have 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.

After contractual negotiations, tendering and appointing a new contractor two landowners have recommenced this work. Work has restarted on the watermain in the expectation that completion will resolve the few issues that remain with the other landowners. Some unforeseen difficulties have arisen in the physical pathway for the watermain works. All parties are concerned by this and are researching resolution.

3.2.1 Indemnity

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

3.2.2 Stage 2 Landowners

The liquidators continue to engage with stage 2 landowners including newly introduced landowners following some properties changing hands, with a view to an overall resolution with 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. Those funds were distributed to the contractor creditor by agreement in the reporting period, less \$34,361 for the cost of correcting defects to WWPS 1A.

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 liquidators recently disclaimed the contract with the pre liquidation contractor as onerous.

6 LIQUIDATORS' FEES

Liquidators' fees paid to the date of this report are \$384,651 excluding GST. The fees are based on 1,110 hours of work undertaken as follows:

Work Category	Hours	\$
Commencement, dealing with receivers	96	26,835
Creditors' claims, enquiries and Statutory reports	465	179,173
Landowners' claims, collections and dealings	455	153,285
Taxation and GST	56	13,313
Watermain Issues	38	12,045
Total billed Time and Costs	1,110	\$384,651

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:

McDonald Vague Limited
Level 1
136 Greenlane East
Auckland 1051

P O Box 6092
Victoria Street West
Auckland 1142



BORIS VAN DELDEN
LIQUIDATOR

DATED this 21st day of July 2023

Realisations and Distributions

Hayfield Sha Limited (In Receivership & In Liquidation)

5 April 2019 to 4 April 2022

Realisations from Receivership and Liquidation	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 Awarded Costs		6,214	
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	4,504	
Interest Received -Landowners	40,891	11,257	
Total Realisations	1,762,280	1,084,545	2,031,922
Payments			
Receivers/Liquidators Fees			
Receivers Fees	45,802		
Receiver Legal Fees	43,692		
Liquidators Fees		372,606	12,045
Liquidator Legal Fees		102,827	
Expert Evidence Fees		7,709	
Disbursements		596	
Total Liquidators Fees	89,494	483,737	12,045
Other Costs of Liquidation and Trading On			
Consultants Costs			77,295
Watermain Works agmt - Veolia Salvage			56,120
Watermain Construction Costs			781,059
Watermain -Legal fee			10,017
H & G Costs		89,975	
Building Disputes Tribunal		107,450	
Fence Site Rental		4,553	
Resident Withholding Tax on Interest		1,177	
Total Costs of Liquidation and Trading On		203,156	924,492
Distributions			
Secured Creditor	1,309,536	210,112	
Secured Creditor Interest Paid	93,041		
Retentions Paid		140,003	
Preferential GST and PAYE		200	
Funds paid to Liquidators	Note 1	270,208	
Total Distributions	1,672,785	350,315	
Total Payments	1,762,279	1,037,208	936,537
BALANCE HELD	0	47,337	1,095,385

Note 1: Receivers paid \$270,208 to the liquidators. Theses funds consist of cash in bank of \$95,844 and retentions of \$174,364.