



McDonald
Vague

business recovery partners

HUA LIMITED (IN LIQUIDATION)

Liquidators' Second Report For the period from 17 March 2023 to 16 September 2023

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Keaton Pronk and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Hua Limited (In Liquidation) ("the company") on 17 March 2023.

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 liquidators' previous 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 have not become aware of any circumstances, relationships, or other facts since we last prepared an interests statement 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:

- Bank Account SoA \$10
 - The liquidators have recovered the funds in the company bank account totalling \$10
- 118 Broadway Carpark SoA \$40,000
 - The liquidators have realised the carpark at 118 Broadway, Newmarket for \$25,000. The carpark was marketed through an agent for sale. The sale price was below the Statement of Affairs estimated value based on the CV as the market has had a downturn which reflects not only in lower selling prices but much lower sales volumes.

Since our appointment, we have:

- Attempted to contact the director
- Questioned other parties with knowledge of the affairs of the Company
- Uplifted and reviewed the Company's books and records
- Investigated the affairs of the Company and the reasons for its failure

5 INVESTIGATIONS

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

As a result of the initial investigations the liquidators have identified that considerable funds from the sale of a property previously owned by the company have been used to pay off related party debt. Legal advice is being sought in relation to next 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				
Specific Securities				
Applicant Creditors Preferential Claim	1	4,475	0	0
IRD Preferential Claims	1	16,757	15,5940	93c
Unsecured Claim	2	135,336	0	0

7 LIQUIDATORS' FEES

The Company has paid liquidators' fees and disbursements to the end of the reporting period totalling \$5,000 plus GST.

The liquidators' time costings to the cut-off date total \$19,407 plus GST, based on 56 hours of work undertaken are detailed in Appendix One.

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.

8 FUNDS / LIKELY OUTCOME

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

9 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Investigations into the receipt of funds by related entities.

There is no change to the estimated date of completion since our last report.

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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Victoria Street West
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Keaton Pronk
LIQUIDATOR (License No: IP107)

Dated this 22nd day of September 2023

Realisations and Distributions	2nd/subsequent		movement
	Since initial report	Since last report	
Hua Limited (In Liquidation)			
17 March 2023 to 16 September 2023			
	16/09/2023	(last six months)	
Realisations			
Bank Account Closure	10	10	0
Interest	91	91	0
Sale of Assets	25,000	25,000	0
Pre receivership GST Refund	15,506	15,506	0
Total Realisations	40,607	40,607	0
Payments			
Liquidators Fees			
Liquidators Fees	5,000	5,000	0
Disbursements	428	428	0
Total Liquidators Fees	5,428	5,428	0
Other Costs of Liquidation and Trading On			
Legal Fees	2,813	2,813	0
Commission Costs	5,000	5,000	0
Total Costs of Liquidation and Trading On	7,813	7,813	0
Distributions			
Secured Creditor	-	-	0
Preferential Wages and Holiday Pay	-	-	0
Preferential GST and PAYE	15,594	15,594	0
Dividends to Unsecured Creditors	-	-	0
Total Distributions to Unsecured Creditors	15,594	15,594	0
Total Payments	28,835	28,835	0
BALANCE HELD	11,772	11,772	0

Appendix One

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

17 Mar 2023 to 16 Sep 2023

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			0.3	120							0.3	120
Forensic Accountants / Associates	\$300 - \$380	10.2	3,876	19.8	7,134	0.5	160			17.9	6,802	48.4	17,972
Insolvency Managers	\$140 - \$280	1.1	275									1.1	275
Insolvency Accountants	\$140 - \$200	2.9	580			1.5	260	1.4	200			5.8	1,040
Secretarial & Clerical Assistants	\$50 - \$170											0	0
Total		14.2	4,731	20.1	7,254	2	420	1.4	200	17.9	6,802	55.6	19,407

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	590
Total	590

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