



Legal Personnel (2017) Limited (In Liquidation)

Liquidators' Second Report For the period from 7 April 2020 to 6 October 2020

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Keaton Alexander Pronk, Licensed Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of Legal Personnel (2017) Limited (**company**) on 7 April 2020.

Pursuant to Section 255(2)(d) of the Companies Act 1993 (**Act**), the liquidators are reporting on the progress of the liquidation. This second report should be read in conjunction with the liquidators' previous report. 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

While all care and attention has been taken in compiling this report, 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 that becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Pre-Liquidation Accounts Receivable

(Statement of Affairs: \$50,898)

Pre-liquidation accounts receivable totalling \$44,793 (excluding GST) have been collected by the liquidators. The book value of the accounts receivable in the statement of affairs included GST.

We anticipate that the remaining accounts receivable will be collected in the next reporting period.

3.2 *Sale of Business and Fixed Assets*

(Statement of Affairs: \$withheld)

The liquidators sold the company's business by tender. The sale has settled and the purchase price of \$42,527 has been paid in full.

The fixed assets that were not included in the sale of the business were sold to third parties by negotiation. The fixed asset sales totalled \$9,639.

3.3 *Trading On*

(Statement of Affairs: \$withheld)

At the time of the company's liquidation, it had permanent employees working in the business and temporary employees on placements. The company received wage subsidy payments for its employees, which allowed the liquidators to employ all of the company's pre-liquidation employees during the tender period and the initial trading on period. The pre-liquidation temporary employees' placements ended during the initial trading on period.

After the end of the first trading on period, the company and the purchasers reached a commercial arrangement that resulted in:

- (a) Settlement of the sale of the business being delayed;
- (b) The company entering a second trading on period; and
- (c) The company employing temporary employees on placements made by the purchasers.

The second trading on period finished after the end of the wage subsidy extension and resurgent wage subsidy periods.

The company earned income of \$43,803 during the post-liquidation trading on period. The sale of the business was settled after the end of the second trading on period.

4 INVESTIGATIONS

The liquidators have completed their investigations into the books, records, and affairs of the company. The liquidators are satisfied that the shareholders' current account is not overdrawn. There were no matters identified that, if pursued, would be likely to result in a benefit to the company's creditors.

5 CREDITORS' CLAIMS

In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution to that class of creditors.

CLAIMS RECEIVED	NUMBER	VALUE
GSA Holders	0	NIL
Specific Securities	0	NIL
Employee Preferential Claims	7	\$27,048
IRD Preferential	1	\$27,872
Unsecured Claims	7	\$164,043

5.1 Secured Creditors

ASB Bank Limited (**ASB**) has a financing statement registered over the company. It has not filed a claim in the liquidation but holds a valid first ranking general security over the company's present and after acquired personal property.

With ASB's consent, the liquidators sold the secured assets. Secured distributions totalling \$22,530 have been made to ASB.

5.2 Preferential Creditors

The liquidators have verified the employees' preferential claims and have made distributions on the accepted preferential claims totalling \$20,195, including KiwiSaver employer contributions. The employees' preferential claims have been paid in full. Employees who claimed non-preferential amounts as preferential were advised that those claims were rejected as preferential claims but would be accepted as unsecured claims in the liquidation.

The liquidators have verified the Commissioner of Inland Revenue's (**Commissioner**) claim and has made a distribution of \$2,519 in respect of its preferential claims for KiwiSaver employer contributions and student loan deductions. This portion of the Commissioner's preferential claim has been paid in full. The Commissioner still has a preferential claim of \$25,353 in respect of unpaid PAYE and GST.

6 FUNDS / LIKELY OUTCOME

There will be shortfalls on the preferential amount owing to the Commissioner and the secured amount owing to ASB. The liquidators do not, therefore, expect unsecured creditors to receive any distribution in the liquidation.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Collecting remaining accounts receivable
- Finalising ACC levies for trading on period
- Finalising liquidation and retiring as liquidators

8 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report, the liquidators anticipate retiring before the end of the next reporting period.

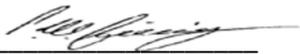
9 CONTACT DETAILS

Enquiries should be directed to Marisa Brugeyroux on DDI (09) 306 3340 or by email to mbrugeyroux@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 23rd day of October 2020

Realisations and Distributions

Legal Personnel (2017) Limited (In Liquidation) 7 April 2020 to 6 October 2020

06/10/2020

Realisations	
Wage Subsidy Payments from MSD	81,710
Cash on Hand	2
Pre-Liquidation Accounts Receivable	44,793
Interest	11
Sale of Assets	9,639
Sale of Business	42,527
Trading On Income	43,803
Total Realisations	222,484
Payments	
Liquidators Fees	
Liquidators' Fees – 7 th Schedule	21,668
Liquidators' Fees – Secured	39,433
Disbursements – 7 th Schedule	389
Disbursements – Secured	773
Total Liquidators Fees	62,263
Other Costs of Liquidation and Trading On	
Trading On Wages, PAYE, and ACC (excluding wage subsidy)	24,377
Wage Subsidy Paid to Employees Including PAYE	81,710
Resident Withholding Tax on Interest	3
Total Costs of Liquidation and Trading On	106,863
Distributions	
Secured Creditor	22,530
Preferential – Employees – Wages and Holiday Pay	20,195
Preferential – IRD – KiwiSaver and Student Loan	2,519
Total Distributions to Creditors	45,244
Total Payments	213,597
BALANCE HELD	8,887

Notes:

- 1 All figures are GST exclusive
- 2 Due to rounding, figures may not add up precisely to totals stated