



McDonald
Vague

business recovery partners

**Mayhew Industries Limited
(In Liquidation)
Trading as: 360 Fitness**

**Liquidators' Third Report
to creditors and shareholders**

for the period from 7 August 2019 to 6 February 2020

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Mayhew Industries Limited ("the company") on 7 February 2019.

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

Tangible and intangible assets

The company operated as a fitness centre, offering weight and cardio training, and an indoor soccer field. Upon our appointment we commissioned an asset auction valuation and pursued a potential sale of the business as a going concern. Whilst buyers were sought, we continued operating the business and paying staff.

In the end no parties were prepared to place offers. Reasons for this included that the floor area was too large to suit the business models of potential buyers and the landlord did not wish to sublet part of the space to other tenants.

With mounting pressure from the landlord to sign a new tenant, and lack of interest from purchasers, it was not economically viable to continue operating and the liquidators sold the company's unencumbered assets on site, to a neighbouring gym, at a favourable rate and above auction valuation.

It must be noted that most of the company's significant equipment was subject to secured interests and was collected by the supplier subsequent to the liquidators' sale of other assets.

The directors cooperated and assisted through the above process, also handing over any company assets not located on the premises, which were then sold by public auction.

Debtors

The company's debts have been for the most part irrecoverable, consisting of very small individual amounts that have either been disputed or ignored. Due to the small individual amounts involved it is not economically viable to consider further recovery action.

GST Refund Recovered

A pre-liquidation GST credit was recovered of \$3,469.

4 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. There were no matters that came to the knowledge of the liquidators that could eventuate in a benefit to creditors.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

Heartland Bank have received a distribution of \$13,500, and Toyota Finance \$1,137 in relation to their Secured Claims. De Lage Landen Limited recovered assets secured as listed in their financing statement on the Personal Properties Securities Register. There will not be any surplus arising

5.2 Preferential Creditors

There have been no funds available for distribution to preferential creditors such as staff who are owed holiday pay.

5.3 Unsecured Creditors

As at the date of preparing this report ten unsecured creditors claim forms have been received which total \$257,991. In the interests of minimising liquidators' fees, the liquidators have not attended to the formality of accepting or rejecting creditors' claims as they have not been in a position to pay a distribution.

6 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the General Security Agreement holder. The liquidators therefore do not anticipate a distribution to preferential and non-preferential unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

There are no further matters outstanding and the liquidators will now proceed to finalise the liquidation.

9 CONTACT DETAILS

Enquiries should be directed to Dalwyn Whisken on DDI (09) 969 5336 or by email to dwhisken@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 1st day of April 2020

Realisations and Distributions

Mayhew Industries Limited (In Liquidation) 7 February 2019 to 6 February 2020

Realisations	Cash Received \$
Trading on Debtors	433
Trading on Receipts	3,965
Interest	1
Sale of Assets	36,230
Sale of Intellectual Property	1,522
Pre liquidation GST Refunds	3,469
Total Realisations	\$45,620
Payments	
Liquidators Fees	
Liquidators Fees	17,136
Disbursements	525
Total Liquidators Fees	\$17,891
Other Costs of Liquidation	
Cost of Sales – Software Subscription	80
Cost of Sales – Building Security	147
Cost of Sales – Auctioneer Commission	3,750
Cost of Sales – Electricity	440
Cost of Sales – Occupational Rent	7,000
Cost of Sales – Wages and PAYE	1,590
Total Costs of Liquidation	\$13,007
Distributions	
Secured Creditor Heartland Bank	13,500
Secured Creditor – Toyota Finance	1,137
Total Distributions to Unsecured Creditors	\$14,637
Total Payments	\$45,535
BALANCE HELD	\$85

Note: the above figures are GST exclusive