



McDonald
Vague

business recovery partners

**R J Dairy Farming Limited
(In Liquidation)**

**Liquidators' Seventh Report
(for the period from 26 August 2016
to 25 February 2017)**

McDonald Vague Limited

Level 10, 52 Swanson Street,
Auckland Central

PO Box 6092, Wellesley Street,
Auckland 1141, New Zealand

p: 09 303 0506

f: 09 303 0508

e: insol@mvp.co.nz

www.mvp.co.nz

1 INTRODUCTION AND APPOINTMENT

Tony Leonard Maginness and Boris van Delden, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of R J Dairy Farming Limited ("the company") on 26 February 2014. On 18 December 2015 Tony Leonard Maginness vacated his position as liquidator by appointing Peri Micaela Finnigan as his successor.

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

This report has been prepared in accordance with section 255(2)(d) of the Act. 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

The debtors, livestock and plant and equipment of the company have all been realised, with details provided in previous reports.

There is a further payment to be received from the sale of the company's shares in Balance Agri-Nutrients.

4 INVESTIGATIONS

As advised in the last report the Liquidators obtained bankruptcy orders against the two shareholders and were endeavouring to have these served. The shareholders could not be located to serve the documents on them and orders for substituted service were obtained.

They were both adjudicated bankrupt on 24 November 2016 in the High Court at Auckland. The liquidators have filed claims with the Insolvency and Trustee Service in each of the bankruptcies for \$388,956 of which \$6,903 is a preferential claim.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

At the date of liquidation, we were advised that Stockco Limited had a secured claim, pursuant to a General Security Agreement, of \$1,100,798. This amount has been reduced by the realisation of the secured livestock and funds received from the sale of shares.

Heartland Bank Limited held specific securities over certain assets of the company. As advised above, they have sold all the assets subject to the security and have notified a claim as an unsecured creditor for the shortfall.

5.2 *Preferential Creditors*

A preferential claim of \$1,209 has been received from a former employee for unpaid holiday pay. This amount has been paid in full.

A preferential claim was received in respect of the company accountant's lien totalling \$955. This amount was also paid in full.

The Inland Revenue Department has submitted a preferential claim for \$142,386. An interim dividend of \$50,000 has been paid in respect of this claim.

5.3 *Unsecured Creditors*

As at the date of preparing this report 30 unsecured creditors claim forms have been received totalling \$912,811. 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.

6 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the General Security Agreement holder. Therefore, at this stage the liquidator does not anticipate paying a distribution to unsecured creditors

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matter is outstanding:-

- The administration of the bankruptcy of the shareholders

8 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators presently are unable to estimate when the liquidation will be completed.

9 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI (07) 838 0908 or by email to CSanderson@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141



BORIS VAN DELDEN
LIQUIDATOR

DATED 27th day of February 2017

Realisations and Distributions

R J Dairy Farming Limited (In Liquidation) 26 February 2014 to 25 February 2017

| Realisations | Cash Received \$ |
|---|------------------------|
| ACC Refund | 1,253 |
| Bank Account Closure | 740 |
| Fonterra Dividends Received | 51 |
| Fonterra Milk Revenue | 37,546 |
| Interest | 5,671 |
| Sale of Shares | 6,076 |
| Westland Co-Operative Milk Revenue | 158,921 |
| Ballance Agri-Nutrients Shares | 9,923 |
| Total Realisations | \$220,181 |
| | |
| Payments | |
| Liquidators Fees | |
| Liquidators Fees | 60,794 |
| Disbursements | 954 |
| Total Liquidators Fees | \$61,748 |
| | |
| Other Costs of Liquidation | |
| Accountants & Other Advisors | 2,407 |
| Fonterra Fees & Levies | 189 |
| Legal Fees | 39,346 |
| Resident Withholding Tax | 1,605 |
| Total Costs of Liquidation | \$43,547 |
| | |
| Distributions | |
| Secured Creditor - Stockco | 15,759 |
| Preferential Wages and Holiday Pay | 1,210 |
| Preferential Accountant's Lien | 955 |
| Preferential GST and PAYE | 50,000 |
| Total Distributions to Creditors | \$67,924 |
| | |
| Total Payments | \$173,219 |
| | |
| BALANCE HELD | \$46,962 |

Note: the above figures are GST exclusive