McDonald Vague
business recovery partners

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SCL Franchising Limited (In Liquidation)
(Formerly known as Spazio Casa Franchising Limited until 6 August 2014)

Liquidators' Seventh Report (for the period from 23 June 2017 to 22 December 2017)

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of SCL Franchising Limited ("the company") by the sole shareholder of the company on 23 December 2014.

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.

No Statement of Realisations and Distributions is attached there having been no realisations or distributions to date.

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

We have continued to investigate the financial position of the company, which includes intercompany debtors and creditors. While there are assets from intercompany debt, according to the accounting records held, of $3,060,979, realisations could be minimal and are dependent on the realisations from third parties by some of the other group companies.

4 INVESTIGATIONS

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

5 CREDITORS' CLAIMS

5.1 Preferential Creditors

No preferential claims have been received at the date of this report.

5.2 Unsecured Creditors

At the date of preparing this report one unsecured creditor claim form has been received which totals $974,710. According to the accounting records held, there is a further $436,566 owed to related companies. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims unless we are in a position to pay a distribution.

6 FUNDS / LIKELY OUTCOME

It is too early to determine whether or not there will be a distribution to unsecured creditors as this will depend of the ability to realise anything from the intercompany debtors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

As stated above, the investigations into the company's books and records remains ongoing.

8 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report it is too early to determine a date of completion.

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:

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IAIN McLENNAN
LIQUIDATOR

DATED this 22nd day of December 2017

IML/CRS/gck/220
SCL Group/SCL Franchising/4101 Seventh Report