

## ***Liquidators' Six Monthly Report***

### ***TENNYSON PROPERTIES (2009) LIMITED (IN LIQUIDATION)***

#### ***Introduction***

On 18 November 2016 at 10am, Iain Bruce Shephard and Jessica Jane Kellow were appointed liquidators jointly and severally of Tennyson Properties (2009) Limited by special resolution signed by the shareholders.

This is our six monthly report required by Section 255(2)(d) of the Companies Act 1993 and is to be read in conjunction with our previous report.

#### ***Background***

Tennyson Properties (2009) Limited (now in liquidation) ("the Company") owned a property at 2 Clive Square, Napier. The building operated as a hotel pursuant to a Hotel Management Agreement.

Prior to the appointment of liquidators the Company had entered into a sale and purchase agreement for the sale of the land and buildings.

Given that the liabilities of the Company, including shareholder advances, exceed the asset values the shareholders made the prudent decision to appoint liquidators.

#### ***Liquidators' Actions***

##### Hotel Lease

The agreement for sale and purchase of the buildings required vacant possession. As at the appointment of liquidators the hotel was subject to a Hotel Management Agreement and was trading as VR Napier.

The Liquidators reached an agreement with VR Napier for the termination of the Hotel Management Agreement. The sale of the land and buildings was settled in mid-December 2016.

##### General Matters

The liquidators have liaised with many parties including Inland Revenue, the Companies Office, the New Zealand Gazette and the Accident Compensation Corporation, and completed a review of all information received.

## Creditor Claims

The liquidators advertised their appointment in the relevant publications and made a call for creditor claims. The liquidators also directly contacted all known creditors and answered any queries they may have had. The liquidators subsequently reviewed and admitted all completed creditor claim forms received.

Three claims required significant review and negotiation in order to be accepted by the liquidators. One such claim was from the lessee and pertained to a calculation in respect of increased profitability of the lease under the Hotel Management Agreement. The Liquidators finally agreed a settlement amount with the creditor in order to avoid further costs that would only dissipate the funds available to unsecured creditors.

The largest creditor was a Trust related to the shareholder. The Liquidators reviewed the claim in conjunction with supporting information from the Trust's accountant and concluded the claim was valid in the liquidation.

## Investigations

The liquidators have reviewed the actions of the director with consideration as to whether there were any potential breaches of appropriate sections of the Companies Act 1993. The liquidators' investigations have thus far included interviewing the director, examining the Company's financial statements and considering the Company's bank transactions. It is apparent that the director and the related party shareholder had been advancing money to the Company.

## ***Realisation of Assets***

### ***Sale of the land and buildings***

As mentioned above the liquidators completed the sale of the land and buildings for \$3.5m.

### ***Inland Revenue GST Refund***

Liquidators have received \$22,662.31 in GST refunds.

## ***Creditors' Claims***

### ***Secured Creditors***

The liquidators settled the debt owing to the Secured Creditor of \$2.9m from the proceeds of the sale of the land and buildings.

### ***Preferential Creditors***

The liquidators have received one preferential claims for \$5,177.34.

### ***Unsecured Creditors***

The liquidators have received nine unsecured claims, totaling \$2,323,285.

## *Prospect of a Distribution*

The liquidators have paid the preferential claim in full and undertaken a distribution to unsecured creditors equating to 18.25% or \$423,999.

## *Receipts and Payments*

A schedule of the liquidators' receipts and payments is enclosed.

## *Estimated Date of Completion*

It is anticipated that the liquidation will be completed within one month.

## *Contact Details*

Contact Person	Jessica Kellow
Telephone	04 473 6747
Email	jessica@sd.co.nz
Postal Address	PO Box 11793 Wellington



**JESSICA KELLOW**  
Liquidator

**Dated 6 June 2017**

## TENNYSON PROPERTIES (2009) LIMITED (IN LIQUIDATION)

### *Schedule of Liquidators' Receipts & Payments*

**As at:**

**6 June 2017**

---

#### **Receipts**

Interest	1,202.74
Sale of Property	3,501,056.64
Inland Revenue GST	22,662.31

---

**3,524,921.69**

#### **Less Payments**

Building expenses	2,586.73
Insurance	7,475.98
Legal fees	57,301.20
Liquidators costs & disbursements	76,260.80
Rates	4,457.59
Real estate commission	40,250.00
RWT	325.64
Preferential creditor distribution	5,177.34
Secured creditor distribution	2,900,000.00
Security Costs	1,536.40
Unsecured Creditor Distribution	423,999.50

---

**3,519,371.18**

#### ***Liquidators' Bank Account***

---

**5,550.51**