

Liquidators' Six Monthly Report

BRUCE BUCHANAN LIMITED (IN LIQUIDATION)

Introduction

On 16 October 2015 at 8:30am, Iain Shephard and Jessica Kellow were appointed liquidators jointly and severally of Bruce Buchanan 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

The business and assets (save for one major contract) were sold to Fulton Hogan prior to liquidation. The proceeds of the sale were used to settle secured bank and machinery finance debt, as well as meet employee entitlements.

Following the sale it became clear that even with the realisation of residual assets, there was likely to be a shortfall to unsecured creditors.

Following the receipt of professional advice, the shareholders resolved to place the company into liquidation.

Liquidators' Actions

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.

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 all completed creditor claim forms received.

The liquidators have:

- Reviewed wages information and corresponded with ACC to obtain a statement refund.
- Liaised with secured creditor, admitted claim and process payment.
- Met with accountants.
- Discussions with lawyers regarding retentions.
- Corresponded with contract holders / service providers regarding retentions.
- Met with the shareholders regarding the overdrawn current account.

The liquidators also directly contacted all known debtors, processed and invoiced all outstanding debtor accounts, corresponded with them and answered queries that were raised.

The liquidators are currently reviewing the actions of the directors 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.

Realisation of Assets

Pre Liquidation Bank Account

A total of \$13,210.93 was received from the pre-liquidation bank account.

Accounts Receivable

The liquidators have managed a debtors schedule of 47 individual debtors with total receivable payments of \$436,409.30. There are a number of outstanding debtors still being pursued.

Shareholders' Current Accounts

The liquidators are communicating with the directors regarding the overdrawn current account. We are confident of a substantial recovery.

Retention

There remains a substantial retention in respect of the sale of the business. The liquidators have engaged solicitors to assist in recovery.

Creditors' Claims

Secured Creditors

The liquidators have contacted all known secured creditors, and reviewed all security documentation received. Following receipt of the ACC Refund, the liquidators made a partial payment pursuant to the Security Interest held by Hunter Premium Funding.

Unsecured Creditors

The liquidators have received 119 unsecured claims, totaling \$1,425,025.27.

Prospect of a Distribution

The liquidators have admitted claims to the value of \$972,451.53 and are currently processing an interim distribution of 10 percent of claim total to 103 unsecured creditors.

The balance of the claims are being reviewed to confirm their validity or otherwise.

The liquidators remain confident that a further distribution in the range of 20-40 cents per dollar is achievable. We are unable to estimate a timeframe at this stage.

Receipts and Payments

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

Estimated Date of Completion

It is not practical to estimate the date of completion at this time.

Contact Details

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IAIN SHEPHARD
Liquidator

Dated 31 March 2016

BRUCE BUCHANAN LIMITED (IN LIQUIDATION)

Schedule of Liquidators' Receipts & Payments

As at: 31 March 2016

Receipts	\$
Proceeds Pre Liquidation Account	13,210.93
ACC refund	20,367.39
Accounts Receivable	436,409.30
Interest	925.41
Eftpos Receipts	4,435.20
Missing Plant Compensation	2,445.00
	<hr/> 477,793.23
Less Payments	
Advertising	89.00
Accountancy	15,835.50
Bank Fees	36.00
IRD - GST	3,061.06
Legal Fees	21,164.93
Liquidators Costs & Disbursements	146,131.55
Liquidators Purchases	590.86
Liquidators Wages	5,774.93
NZ Post Redirection	255.00
Rent	7,043.75
RWT	305.39
Secured Creditor - Hunter Premium Funding	19,867.39
October 2015 Material Delivery Charges	19,599.63
	<hr/> 239,754.99
 Liquidators' Bank Account	 <hr/> 238,038.24