

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

Since the previous report, the liquidators have liaised and met with debtors, creditors, legal representatives and advisors and the shareholders.

The liquidators have:

- Liaised with unsecured creditors in order to admitted claims. This required a full review of each claim submitted.
- Processed an interim distribution to creditors of 10 cents in the dollar which equated to \$145,287.
- Held various meetings with the Company accountants.
- Continued discussions with lawyers regarding retentions.
- Corresponded with contract holders / service providers regarding retentions.
- Met with the shareholders regarding the overdrawn current account.

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 with a total of \$550,017.29 being received to date. There are a number of outstanding debtors still being pursued. The liquidators have met with a number of these debtors in order to finalise the position owed to the Company. A total of \$94,337.14 has been written off due to a combination of initial record keeping inaccuracies and post liquidation negotiated settlements.

Shareholders' Current Accounts

The liquidators continue to have discussions with the shareholders and their representatives regarding the overdrawn current account and are close to resolving recovery. There is a transaction pending with the shareholder that settles the current account either by payment of funds or transfer of property.

Retention

There remains a substantial retention in respect of the sale of the business. The retention relates to an assignment of a lease of land and extraction rights. The landlord is the Office of the Treaty Settlement. The liquidators are experiencing difficulties in satisfying the terms of the retention release and have therefore engaged solicitors to assist in recovery. The issue lies within deliverability issues from the Company, rather than the purchaser of the business.

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 Hunter Premium Funding, pursuant to the security held by them.

Unsecured Creditors

The liquidators have received 123 unsecured claims, totaling \$1,559,748.92.

Prospect of a Distribution

The liquidators have admitted unsecured claims to the value of \$1,455,271.69 and have processed an interim distribution of 10 percent to 110 unsecured creditors totalling \$145,287.27.

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 estimate transactions being processed within the next two months.

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 14 June 2017

BRUCE BUCHANAN LIMITED (IN LIQUIDATION)

Schedule of Liquidators' Receipts & Payments

As at: 14 June 2017

Receipts

| | |
|----------------------------------|-------------------|
| ACC refund | 20,367.39 |
| Accounts Receivable | 550,017.29 |
| Cash Sales | 4,435.20 |
| Inland Revenue - GST Refund | 43,064.24 |
| Interest | 2,955.83 |
| Missing Plant Compensation | 2,445.00 |
| Proceeds Pre Liquidation Account | 13,210.93 |
| Share dividend | 545.00 |
| | <hr/> |
| | 637,040.88 |

Less Payments

| | |
|---------------------------------------|-------------------|
| Advertising | 89.00 |
| Accountancy | 16,301.25 |
| Bank Fees | 36.00 |
| Contract Remedial Work | 9,753.15 |
| Imputation Tax | 152.60 |
| Interest (If Im still Around account) | 1,030.94 |
| IRD - GST | 3,061.06 |
| IT Services | 776.25 |
| Legal Fees | 86,462.22 |
| Liquidators Costs & Disbursements | 316,059.26 |
| Liquidators Purchases | 20,190.49 |
| Liquidators Wages | 5,774.93 |
| NZ Post Redirection | 255.00 |
| Rates | 1,545.40 |
| Rent | 7,043.75 |
| RWT | 1,002.68 |
| Secured Creditor Distribution | 19,867.39 |
| Unsecured Creditor Distribution | 145,287.27 |
| Valuers Costs | 1,794.00 |
| | <hr/> |
| | 636,482.64 |

Liquidators' Bank Account

558.24