



McDonald
Vague

business recovery partners

K. S. Johnson Construction N. Z. Limited (In Liquidation)

Liquidators' Tenth Report (for the period from 4 July 2017 to 3 January 2018)

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Tony Leonard Maginness, Insolvency Practitioners of Auckland, were appointed joint and several liquidators of K. S. Johnson Construction N. Z. Limited ("the company") on 4 July 2013. On 18 December 2015, Tony Leonard Maginness resigned his position as liquidator, appointing Boris van Delden as his successor.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators are reporting on the progress of the liquidation. This tenth 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

Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party arising from 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 as at the date of this report but that becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Debtor – Mainzeal

(Statement of Affairs: \$Unknown)

The liquidators of Mainzeal have admitted a by the company claim of \$960,955, including GST and retentions.

As at Mainzeal's liquidators' report for the period ended 27 August 2017, the liquidators expected that there would be some funds available for distribution to Mainzeal's unsecured creditors. The level of the distribution to unsecured creditors in the Mainzeal liquidation remains unknown. The company's liquidators anticipate that there will be at least a partial debtor write off in respect of the Mainzeal debt. The write off may result in a GST recovery, depending on how the company treated the transaction.

In Mainzeal's liquidators' most recent liquidators' report, the liquidators advised that legal proceedings have been filed in the Auckland High Court against related parties, directors, and former directors of Mainzeal. These claims are scheduled to be heard in the Auckland High Court starting on 3 September 2018. The most recent report says that, given the pending litigation, the Mainzeal's liquidators are not in a position to consider making an interim distribution to unsecured creditors.

3.2 Tools of Trade and Trade Debtors

(Statement of Affairs: \$500)

The liquidators recovered \$478 on the sale of the company's tools and \$3,600 from the collection of debtors. No further realisations are anticipated.

3.3 Closure of Bank Account and Cash on Hand

The liquidators received \$493 in respect of the above. No further realisations are anticipated.

3.4 Remittance of IRD Penalties

The IRD has remitted \$1,006 to the liquidators for pre-liquidation penalties charged in error.

4 INVESTIGATIONS

The liquidators have concluded their investigations and considered whether taking any actions was appropriate. There were no matters that came to the knowledge of the liquidators that could eventuate in a benefit to the company's creditors.

The only remaining recovery available to the liquidators relates to the possible distribution based on the company's admitted claim in the Mainzeal's liquidation and/or a GST recovery on the write off of the Mainzeal debt (depending on how the company treated the GST on these invoices). The liquidators are currently awaiting the outcome of the Mainzeal litigation referred to above.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

The liquidators received one secured creditor's claim in relation to security held over the company's present and after acquired personal property and a specific security over stock supplied together with its proceeds. As at the date of liquidation, the company did not have any personal property to which the secured creditor had any entitlement.

5.2 Preferential Creditors

A preferential claim has been received in respect of the ANZ Bank in the amount of \$342. The liquidators have not reviewed this claim.

The Inland Revenue Department has submitted a preferential claim for \$87,257.

No dividend has been paid to preferential creditors at the date of this report.

5.3 Unsecured Creditors

As at the date of preparing this report, 10 unsecured creditors' claims have been received. The secured creditor's claim received is also an unsecured claim in the liquidation.

The unsecured creditors' claims received total \$738,163.

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

The liquidators will not be able to advise whether a distribution will be made to unsecured creditors until the outcome of the litigation being conducted by Mainzeal's liquidators is known. Any distribution to creditors is dependent on the company receiving a distribution in the Mainzeal liquidation and/or the company's treatment of the GST on the amount owing by Mainzeal.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Recovery of any distribution in the Mainzeal liquidation
- Any debt write off relating to the Mainzeal debt
- Payment of any distribution to preferential and unsecured creditors
- Completion of the liquidation

8 ESTIMATED DATE OF COMPLETION

Mainzeal's liquidators have advised that a six-week hearing beginning on 3 September 2018 has been allocated. The liquidators will not be in a position to retire until after the proceedings in the Mainzeal liquidation have been concluded and its liquidators have made their final distribution (if any) to Mainzeal's unsecured creditors.

9 CONTACT DETAILS

Enquiries should be directed to Marisa Brugeyroux on DDI (09) 306 3340 or by email to mbrugeyroux@mvp.co.nz.

The liquidators can be contacted at:

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BORIS VAN DELDEN
LIQUIDATOR

DATED this 31st day of January 2018

Realisations and Distributions

K. S. Johnson Construction N. Z. Limited (In Liquidation) 4 July 2013 to 3 January 2018

3 January 2018

Realisations

Bank Account Closure	-	310
Cash on Hand	-	183
Trade Debtors	-	3,600
Tools of Trade		478
IRD Remittance of Penalties		1,006
Total Realisations		\$5,577

Payments

Liquidators Fees

Liquidators Fees	5,372
Disbursements	93

Total Liquidators Fees **\$5,465**

Other Costs of Liquidation

Auction Fees	112
	\$112

Total Costs of Liquidation **\$5,577**

Total Payments **\$5,577**

BALANCE HELD **\$Nil**

Note: the above figures are GST exclusive

