



McDonald
Vague

business recovery partners

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

Liquidators' Twenty First Report (for the period from 4 January 2023 to 3 July 2023)

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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. On 25 June 2022, Peri Micaela Finnigan resigned her position as liquidator, appointing Iain McLennan as her 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 report should be read in conjunction with the liquidators' previous reports.

This report is being sent to all directors and shareholders and to 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 claim by the company of \$960,955, including GST and retentions. To date, no distribution has been made by Mainzeal's liquidators in respect of the company's admitted claim.

Issues arose in regard to the debts that the directors were liable for. The Court of Appeal agreed and certain matters with regard to quantum were referred back to the High Court. The Court of Appeal decision was then appealed in the Supreme Court.

The appeal was heard by the Supreme Court in March 2022. The decision is yet to be released.

Mainzeal's liquidators' most recent report for the period ended 28 February 2023 confirms that preferential claims have been paid in full and that unsecured claims totalling \$111 million have been admitted and advises that the liquidators:

We expect that there will be some funds available for distribution to unsecured creditors. The quantum of any ultimate distribution to unsecured creditors will depend on the outcome of the appeals and cross-appeals.

GST issue:

We anticipate that there will be at least a partial debtor write off in respect of the Mainzeal debt owed to the company. The write off may result in a GST recovery for the company, dependent on whether the company filed its GST on an invoice basis. If it filed its GST on a payments basis then GST will be payable on any sum recovered.

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, if pursued, could eventuate in a benefit to the company's creditors.

5 CREDITORS' CLAIMS

CLAIMS RECEIVED	NUMBER	VALUE
GSA Holders	1	\$294,801
Specific Securities	1	\$315,773
Employee Preferential Claims	0	
IRD Preferential	1	\$87,257
Unsecured Claim	9	\$127,930
		<u>\$825,762</u>

No dividends have been paid to any class of creditor as at the date of this report. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims unless and until we are in a position to pay a distribution.

6 FUNDS / LIKELY OUTCOME

The only remaining recovery available to the liquidators relates to a potential distribution arising from the company's admitted claim in Mainzeal's liquidation plus or minus GST recovery/payment.

Once Mainzeal's liquidators have made their final distribution to Mainzeal's unsecured creditors (if any), we will be able to determine the amount able to be distributed to company creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Resolution of the dispute between Mainzeal's liquidators and Mainzeal's directors
- Recovery of any distribution from the Mainzeal liquidation
- Completing any GST return relating to the Mainzeal recovery
- Admitting and/or rejecting creditors' claims
- Payment of any distribution to creditors on their admitted claims
- Completion of the liquidation

8 ESTIMATED DATE OF COMPLETION

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. Mainzeal's liquidators' most recent report says that it is not yet practical for them to estimate the date of completion of that liquidation.

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 McDonald Vague Limited:

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IAIN MCLENNAN
LIQUIDATOR

DATED this 5th day of July 2023

Realisations and Distributions

K. S. Johnson Construction N. Z. Limited (In Liquidation) 4 July 2013 to 3 July 2023

Realisations

Assets Realised

Bank Account Closure	310
Cash on Hand	183
Trade Debtors	3,600
Tools of Trade	478
IRD Remittance of Penalties	1,006
ACC Levy Refund	991
Total Realisations	\$6,567

Payments

Liquidators Fees

Liquidators Fees	6,363
Disbursements	93
Total Liquidators Fees	\$6,456

Other Costs of Liquidation

Auction Fees	112
Total Other Costs	\$112

Total Payments	\$6,567
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BALANCE HELD	\$NIL
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Note: the above figures are GST exclusive

Note: due to rounding, figures may not add up to totals stated