



McDonald
Vague

business recovery partners

KIWI SHEDS NORTHLAND LIMITED (IN LIQUIDATION)

Liquidators' First Report

TO: The directors, shareholders and known creditors of the company

McDonald Vague Limited
Level 1, 136 Greenlane East,
Auckland 1051

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1 INTRODUCTION AND APPOINTMENT

Kiwi Sheds Northland Limited (In Liquidation) ("the company") was placed into liquidation by the High Court at Auckland pursuant to Section 241(2)(c) of the Companies Act 1993 ("the Act") on 04 November 2022 at 10:12 a.m. on application of Robert Nigel Gauld. Iain McLennan Licence No: IP82 and Keaton Pronk Licence No: IP107, Licensed Insolvency Practitioners, of Auckland (**Liquidators**) were appointed as joint and several liquidators of the company. The liquidators had previously been appointed as interim liquidators of the company by the Court on 8 August 2022.

2 RESTRICTIONS

In preparing this report and its appendices, we have relied upon information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of 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, amend this report to take into account any information existing at the date of this report that becomes known to us after this report is published.

3 INDEPENDENCE

A declaration of independence is attached at Appendix 3. We are not aware of any real or perceived conflicts of interest or risks to our independence.

4 ATTACHMENTS

The following documents are attached to this report:

Appendix 1: Amended Statement of Affairs as at 4 November 2022

Appendix 2: Statement of Realisations and Distributions to 4 November 2022

Appendix 3: Declaration of independence, relationships, indemnities, and upfront payments

- Appendix 4: Schedule of creditors' names and addresses
 Appendix 5: Notice of liquidators' decision to dispense with meeting of creditors
 Appendix 6: Notice to creditors to prove debts or claims
 Appendix 7: Creditors claim form

5 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	13 February 2017	
Company number:	6232908	
New Zealand Business Number:	9429045950902	
Date ceased trading:	Still trading	
Nature of business:	Shed Builders	
Trading address:	28 Kapiro Road, Kerikeri	
Previous names/Trading name:	Kiwi Sheds Northland	
Share capital:	100 Shares	
Shareholders:	Robert Nigel Gauld	25
	Dean Rosewarne	25
	Lisa Johnson	25
	Leona Gauld	25
Directors:	Robert Nigel Gauld and Dean Rosewarne	
Related companies:	KSN Group Limited (In Liquidation) ("KSNL")	

Prior to the appointment of interim liquidators by the High Court, the company sold kitset sheds to clients potentially located nationwide but from marketing activity within the limited territory in which it could market the goods and services.

By March 2022, the relationship between the individual directors and the 4 shareholders had broken down to the stage that they were unable to continue to advance. There were a wide range of disputes between the two directors in regard to the management and direction of this company (primarily) and that affected the activity of the related company.

Each director has a version of events. The liquidators have concluded from their enquiries and investigations that the company was relatively successful, but the two directors had differing and competing priorities when they entered into business together. These differences grew over time and resulted in them clashing more and more over major and minor issues to the point that the working relationship was unrecoverable.

After a number of unsuccessful attempts by both to informally resolve matters and find a way forward, one of the shareholder/directors Mr Gauld applied to the Court to have the company, and the related company KSNL, placed into liquidation.

The liquidators were appointed as interim liquidators on 8 August 2022 with the requirement to report back to the Court within 21 days on the solvency of the company and their recommendations for the way forward.

The interim liquidators identified that there were potentially a significant value of contingent claimants, being customers and/or suppliers possibly impacted by customer orders that had been received, customers had made some but not all payments towards the orders, but the kitsets had not yet been delivered by the supplier. The delay was not due to any payment delay or default by the company. It related to supplier lead time extensions post Covid.

During the interim liquidation period customers paid further contracted sums and kitsets and product was delivered to those customers which has significantly reduced the contingent creditors from both the customers and supplier sides.

With that work, and the repayment of funds to the company from the related company, it is expected to be able to pay all of its external creditors.

The underlying disputes remain however with an accounting required to be done in regard to entitlements to shareholder funds as between the shareholders. This resulted in the liquidators' being appointed on 4 November 2022.

6 STATEMENT OF AFFAIRS

An Amended Statement of Affairs showing the company's estimated financial position as at the date of our appointment as liquidators is provided at Appendix 1.

A Statement of Realisations and Distributions for the period of the interim liquidation from 8 August 2022 to 4 November 2022 is provided at Appendix 2.

7 ASSETS AND PROPOSED ACTIONS IN THE LIQUIDATION

Since our appointment as interim liquidators, with the assistance of the directors, we have continued to work on projects with some of the company's clients whereby funds were paid to the liquidators by the client to progress the projects. Several of these jobs are on-going.

We will realise all assets of the company.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties and take appropriate steps where necessary.

If there are funds available for distribution to creditors, we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

8 LIABILITIES AND CALL FOR CREDITOR CLAIMS

The liquidators have compiled a schedule of the company's creditors and their addresses as required by Section 255(2)(c) of the Act, which is at Appendix 4. The schedule has been compiled from company records and information provided to the liquidators at the time of preparing this report. The schedule may not list all of the company's creditors and all of the parties listed on the schedule may not be creditors of the company.

There are contingent creditors of the company as set out in 8.3 below.

A notice to creditors to prove debts or claims is provided at Appendix 6 and an unsecured creditor's claim form is provided at Appendix 7. If you are an unsecured creditor and you wish to lodge a claim in the company's liquidation, please complete the unsecured creditor's claim form then return the completed form together with supporting documentation to our offices by 9 December 2022. Creditors that have not made a claim by this date may be excluded from any distribution made.

If you believe that you are a secured creditor, you should not complete the unsecured creditor's claim form. Please contact us and request that a secured creditor's claim form be sent to you.

8.1 Secured Creditors

As at the date of liquidation 1 secured party had registered security interests against the company on the Personal Property Securities Register.

Bank of New Zealand All Present and After Acquired Personal Property

At the date of the appointment of the interim liquidators, the amount of \$116,339 was owed to the secured creditor. This amount is owed by the related company KSNG and will to be paid by KSNG from the proceeds of the sale of its property at Marsden Point Road, Whangarei.

Personal Property Securities Act / Reservation of Title

If you have not registered a financing statement on the PPSR and you believe you have:

- a Purchase Money Security Interest entitling them to any goods in the possession or control of the company and/or proceeds from the realisation of those goods; and/or
- a Reservation of Title over goods;

you should contact us immediately.

8.2 Preferential Creditors

The applicant creditor's claim amounts to \$13,125.

We estimate that preferential creditors may recover 100 cents in the dollar.

8.3 Unsecured Creditors

From our review of the company's accounting records and other information we estimate that at the date of appointment, the amount due to unrelated unsecured creditors is approximately \$63,468, made up of trade creditors and contingent claims from clients.

We estimate that unrelated unsecured creditors may receive 100 cents in the dollar.

The contingent claims of shareholders, in relation to jobs and other entitlements, amount to \$484,296. As set out in section 5 above, the underlying disputes remain, with an accounting required to be done, in regard to entitlements to the shareholders.

9 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 5.

Any creditor or shareholder may at any time in the course of the liquidation request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993, for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

10 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence, and send it to us. Please note that it can be difficult for liquidators to act in reliance on information that is not provided in writing.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on your creditors' claim form.

This report and all subsequent reports will be available on the Liquidators' website at <http://www.mvp.co.nz>

11 ESTIMATED DATE OF COMPLETION

We are unable to estimate a completion date at this stage.

12 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI +64 (7) 838 0908 or by email to csanderson@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 1
136 Greenlane East, Greenlane
Auckland 1051

P O Box 6092
Victoria Street West
Auckland 1142



Iain McLennan
LIQUIDATOR (Licence No: IP82)

Dated this 30th day of November 2022

Appendix 1

KIWI SHEDS NORTHLAND LIMITED (IN LIQUIDATION)

Amended Statement of Affairs

Amended Statement of Affairs for the above named company as at 4 November 2022 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

ASSETS SPECIFICALLY PLEDGED

No specific securities are registered on the Personal Property Securities Register

	08/08/2022		04/11/2022	
	Book Value	Estimated to Realise	Estimated to Realise	
ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS				
Bank account balances	1,713	1,713	1,713	realised
Secured funds - R Gauld	63,730	63,730	63,730	realised
KSN Group repayment bank loan & Property costs	212,609	212,609	212,609	
Accounts receivable	25,000	uncertain	uncertain	
Work in progress estimate	198,000	uncertain	uncertain	
Overdrawn current accounts according to bank withdrawals	499,000	uncertain	uncertain	
GST refund	4,800	4,800	4,800	realised
Total	1,004,852	282,852	282,852	
Less preferential creditors				
Applicant Creditor		-	13,125	
Total		-	13,125	
Estimated surplus as regards preferential creditors		\$282,852	\$269,727	
ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S	Book Value	Estimated to Realise	Estimated to Realise	
Estimated surplus as regards preferential creditors		282,852	269,727	
Motor vehicles x 2		51,500	51,500	
Trailers x 3		21,900	21,900	
Containers x 2		9,000	9,000	
Total	-	365,252	352,127	
LESS GENERAL SECURITY AGREEMENT HOLDER/S				
Bank of New Zealand - to be paid from KSN Group funds		116,339	116,339	
Total		116,339	116,339	
Estimated surplus as regards General Security Agreement holders		\$248,913	\$235,788	
AVAILABLE FOR UNSECURED CREDITORS		248,913	235,788	
LESS UNSECURED CREDITORS				
Trade creditors		536	11,468	
Contingent claims clients		370,502	52,000	
Contingent claims between company shareholders re jobs			88,000	
Estimated Surplus before Shareholder contingent claims			84,320	
Contingent -Kiwi Sheds Limited - vehicle and phone costs		27,224	27,224	
Contingent - shareholders entitlements claimed		369,072	369,072	
Estimated surplus/(deficiency) as regards unsecured creditors		(\$518,421)	(\$311,976)	

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
4. The mortgagee's claim will continue to accrue interest until fully paid.
5. Excludes Any further income tax or GST movements

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

Appendix 2		
Realisations and Distributions		Since initial report
Kiwi Sheds Northland Limited (In Liquidation)		
8 August 2022 to 4 November 2022		
		04/11/2022
Realisations		
Advance from Shareholders		-
Bank Account Closure		1,713
Client Deposit- Trading on Young		21,217
Refund secured funds		63,730
Client Deposit - Trading on Christini		12,000
Client Deposit - Trading on De Ridder		20,870
Client Deposit - Trading on Stirling		74,087
Client Deposit - Trading on Dema Family Trust		60,870
Interest		13
Pre receivership GST Refund		4,800
Total Realisations		259,300
Payments		
Liquidators Fees		
Liquidators Fees		44,627
Disbursements		244
Total Liquidators Fees		44,870
Other Costs of Liquidation and Trading On		
Valuation		920
Bank fee		40
Withholding Tax		4
Trading on Young		21,487
Trading on -Christini		11,751
Trading on - De Ridder		11,121
Trading on - Stirling		31,437
Trading on - Dema Family Trust		-
Insurance		2,599
Total Costs of Liquidation and Trading On		79,358
Distributions		
Secured Creditor		-
Preferential Wages and Holiday Pay		-
Preferential GST and PAYE		-
Dividends to Unsecured Creditors		-
Total Distributions to Unsecured Creditors		-
Total Payments		124,229
BALANCE HELD		135,071

KIWI SHEDS NORTHLAND LIMITED (IN LIQUIDATION)

Declaration of Independence / Relationships / Indemnities and Upfront Payments

A DECLARATION OF INDEPENDENCE

- (i) The appointed and McDonald Vague Limited have undertaken a proper assessment of the risks of independence prior to accepting appointment in accordance with the code of conduct and applicable professional standards and have concluded that they have no prior business or professional relationship with the insolvent that is a real or a potential risk and that they are independent.

B DECLARATION OF RELATIONSHIPS

- (ii) The appointed and McDonald Vague Limited have no prior business or professional or personal relationship with known associates of the insolvent or with the major secured creditors that are a real or potential risk with the exception and to the extent of:

Name	Relationship	Reason
Bank of New Zealand	The liquidators have previously dealt with BNZ on insolvency appointments	Other than their rights as secured creditor, the BNZ has no influence on the outcome of the liquidation

- (iii) The appointed disclose there are no other relevant relationships to declare.
- (iv) The appointed and McDonald Vague Limited have not provided any prior professional services to the insolvent or known associates of the insolvent in the prior two years.

C DECLARATION OF INDEMNITIES AND UPFRONT PAYMENTS

- (v) There is no indemnity nor upfront payment.



Iain McLennan
LIQUIDATOR

Dated this 30th day of November 2022

KIWI SHEDS NORTHLAND LIMITED (IN LIQUIDATION)

Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

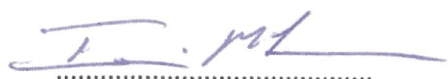
Creditor Name	Address 1	Address 2	Address 3	Postcode
Bank of New Zealand	PO Box 995	Auckland		
Commercial Roller Door repairs	PO Box 22379	Otahuhu	Auckland	1640
Fonterra Farm Source	PO Box 9045	Hamilton		3240
J C Walker Transport	Takanini School Road	Takanini	Auckland	1702
Kerikeri Daffodil World	iwalst@xtra.co.nz			
Kiwi Sheds Limited	accounts@kiwisheds.co.nz			
Konnect Fastening Systems	E.Kennedy@konnectshop.com			
Metalcraft Roofing	PO Box 51286	Pakuranga	Auckland	2140
Netspeed	PO Box 5691	Dunedin		9054
Northern Consulting Engineers	info@nceng.com.au			
Northland Flashings	102 Valencia Lane	Kerikeri		0923
Spencer Trust	C/- Wills Westenra Lawyers	megan@willswestenra.co.nz		

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Kiwi Sheds Northland Limited (In Liquidation) and the likely result of the liquidation the liquidators propose to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Colin Sanderson of this office on DDI +64 (7) 838 0908 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.



Iain McLennan
LIQUIDATOR

Dated this 30th day of November 2022

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Kiwi Sheds Northland Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of Kiwi Sheds Northland Limited (In Liquidation) ("the company"), fix 9 December 2022, as the day on or before which the company's creditors are to make their claims and establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.



Iain McLennan
LIQUIDATOR

Dated this 30th day of November 2022

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 1
136 Greenlane East, Greenlane
Auckland 1051

P O Box 6092
Victoria Street West
Auckland 1142

Telephone: +64 (9) 303 0506
Facsimile: +64 (9) 303 0508
Website: <http://www.mvp.co.nz>

DATE OF LIQUIDATION: 04 November 2022



McDonald Vague

business recovery partners

McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Unsecured Creditor's Claim

(Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993
(For help see www.mvp.co.nz or email claims@mvp.co.nz)

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL

Telephone Numbers: ()

()

E-Mail

My Reference is:
(if applicable)

* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.

The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.

Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must -
(a) Contain full particulars of the claim; and
(b) Identify any documents that evidence or substantiate the claim.

You may have access to and request correction of any personal information.

(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION:

(IN LIQUIDATION)

I _____
(If claim is made on behalf of creditor, specify relationship to creditor and authority)
claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM:

1. I am an unsecured creditor for
(Also applicable to secured creditors who hereby surrender their security)

\$

2. I am a preferential creditor for
(Refer details on reverse)

\$

3. I am an unsecured creditor for
(State currency if other than \$NZ)

Other
Currency

NZ \$

4. I have claimed retention/reservation of title rights pursuant to rights held by me

Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you.

Tick if Applicable
(Refer details on reverse)

Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.

(The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required to attach any supporting documents** at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED:

Date: / /

WARNING

It is an offence under Section 304(6) of the Companies Act 1993 to -
Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or
Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received
(Date Stamp)

RESERVED FOR OFFICE USE:

Claim admitted/rejected
for voting purposes:
(Delete one)

Signed:

Date: / /

Preferential Claim for:

Ordinary Claim for:

CLAIM REJECTED
FOR PAYMENT:

\$

\$

or
CLAIM ADMITTED
FOR PAYMENT:

\$

\$

Signed
Liquidator:

Date: / /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.



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If the creditor owes money to the company, please give full details

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.
Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$25,480 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
(eg employee, GST, etc) _____

2. Details of your claim: _____

If applicable please record here your GST Registration number: _____
and total GST included in your tax invoice: \$ _____