



McDonald
Vague

business recovery partners

KSN GROUP LIMITED (IN LIQUIDATION)

Liquidators' First Report

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

McDonald Vague Limited
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Auckland 1051

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1 INTRODUCTION AND APPOINTMENT

KSN Group 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.

We attach the statement of realisations and distributions for the interim liquidation period.

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:	22 November 2017	
Company number:	6556877	
New Zealand Business Number:	9429046466822	
Date ceased trading:	Still trading	
Nature of business:	Property holding	
Trading address:	Nil	
Previous names/Trading name:	Nil	
Share capital:	100	
Shareholders:	Lisa Christine Johnson	25
	Leona Gauld	25
	Robert Nigel Gauld	25
	Dean Alexander Rosewarne	25
Directors:	Robert Nigel Gauld and Dean Alexander Rosewarne	
Related companies:	Kiwi Sheds Northland Limited (In Liquidation) (" KSNL ")	

The company owns a block of bare land on two titles on the corner of State Highway 1 and Marsden Point Road, Whangarei ("**the property**").

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.

During the interim liquidation the property was valued and offers received on it. The funds in the bank account allowed the mortgage to continue to be paid.

One result from the investigation into the affairs and accounts of the company was that it owes its related company approximately \$96,000. The company is solvent and is expected to remain so.

The debt owed to the related company is expected to be paid in full once the property is sold and may be partially repaid in the meantime from funds held after providing for future mortgage costs, and paying any preferential winding up costs.

Both directors have provided information interim liquidators during the interim period. Each has responded to the liquidators' enquiries. Despite the company being solvent the relationship breakdown between the shareholders and directors that underpinned the appointment of the interim liquidators was not resolvable. This resulted in the liquidators' being appointed on 4 November 2022.

The liquidators will continue to advance realisation of the property, account for any income tax to pay, and make distributions to the creditors and shareholders in due course

6 STATEMENT OF AFFAIRS

An Amended Statement of Affairs, showing the company's estimated financial position as at the date of our appointment as interim liquidators and as at 4 November 2022 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

The sole asset of the company is the property referred to above. We have been approached by parties instructed by Waka Kotahi who wish to purchase the property as part of a State Highway safety improvement project. Valuations carried out on behalf of Waka Kotahi and on the instructions of the liquidators has resulted in a lowering of the estimated realisable value of the property. We are engaged in on-going negotiations in relation to the property.

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 no known contingent creditors.

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 no secured parties had registered security interests against the company on the Personal Property Securities Register.

The Bank of New Zealand has a mortgage security over the property and guarantee to secure the debt of KSNL

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.

At this time we are unaware of any preferential claims.

8.3 Unsecured Creditors

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$130,500. This made up of an amount of \$96,000 owed to the related company KSNL and a contingent claim of \$34,500 for a business advisor. This claim is yet to be admitted by the liquidators. We estimate that unsecured creditors may receive 100 cents in the dollar.

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

At this stage we are unable to estimate when the liquidation will be completed.

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 29th day of November 2022

Appendix 1

Appendix 1				
KSN GROUP LIMITED (IN LIQUIDATION)				
Amended Statement of Affairs as at 4 November 2022				
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				
<i>No securities are registered on the Personal Property Securities Register</i>				
ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS		08-Aug-22		04-Nov-22
		<i>Book Value</i>	<i>Estimated to Realise</i>	<i>Estimated to Realise</i>
Bank account balances		31,539	31,539	31,539
R Gauld recovery for funds paid			21,200	21,200
Total		31,539	52,739	52,739
Less preferential creditors				
Applicant creditor				1,691
Total			-	1,691
Estimated surplus as regards preferential creditors			\$52,739	\$51,048
ASSETS AVAILABLE FOR MORTGAGE SECURITY HOLDER		<i>Book Value</i>	<i>Estimated to Realise</i>	<i>Estimated to Realise</i>
			-	-
Estimated surplus as regards preferential creditors			52,739	51,048
Property (2 Titles) at Marsden Point Road		151,000	485,000	450,000
Improvements		64,000		
Total		215,000	537,739	501,048
LESS OTHER SECURITY AGREEMENT HOLDER/S				
Bank of New Zealand as Mortgagee via KSNL (See Note 3)			116,685	116,685
Total			116,685	116,685
Estimated surplus as regards General Security Agreement holders			\$421,054	\$384,363
Surplus/(Deficiency) before Unsecured Creditors			421,054	384,363
AVAILABLE FOR UNSECURED CREDITORS			421,054	384,363
LESS UNSECURED CREDITORS				
Trade creditors including Contingent creditors			34,500	34,500
Kiwi Sheds Northland Limited (In Liquidation) after repaying BNZ			96,000	96,000
IRD unsecured Provisional tax (see note 4)			3,668	-
Property rates				
Estimated surplus/(deficiency) as regards unsecured creditors			\$286,886	\$253,863
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. The Bank of New Zealand has mortgage security and guarantee to secure debt of Kiwi Sheds Northland Limited (In Liquidation)				
4. Excludes income tax on current year taxable activity				
5. Excludes ongoing costs of holding properties and selling process				
Disclaimer of Liability:				
The information contained in the Statement of Affairs has been supplied by the company and has been partly compiled by the interim liquidators. We have not verified all of 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				2nd/subsequent
			Since initial report	Since last report
KSN Group Limited (In Liquidation)				
8 August 2022 to 4 November 2022				
			04/11/2022 (last six months)	movement
Realisations				
				-
	Bank Account Closure		31,539	31,539
	Refund Funds		21,200	21,200
	Interest		5	5
	Total Realisations		52,744	52,744
Payments				
Liquidators Fees				
	Liquidators Fees		15,337	15,337
	Disbursements		254	254
	Total Liquidators Fees		15,592	15,592
Other Costs of Liquidation and Trading On				
	Withholding Tax		1	1
	BNZ Loan Payment		3,990	3,990
	Rates		554	554
	Property Valuation		1,400	1,400
	Total Costs of Liquidation and Trading On		5,945	5,945
Distributions				
	Secured Creditor		-	-
	Preferential Wages and Holiday Pay		-	-
	Preferential GST and PAYE		-	-
	Dividends to Unsecured Creditors		-	-
	Total Distributions to Unsecured Creditors		-	-
	Total Payments		21,537	21,537
				-
	BALANCE HELD		31,207	31,207

KSN GROUP 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 mortgagee, 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.



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Iain McLennan
LIQUIDATOR

Dated this 29th day of November 2022

KSN GROUP LIMITED (IN LIQUIDATION)

Schedule of Creditors' Names and Addresses

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

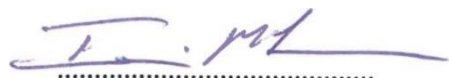
Creditor Name	Address 1	Address 2	Address 3	Postcode
Corporate Solutions and Management Limited	john@csmc.co.nz			
Inland Revenue Department	PO Box 39010	Wellington Mail Centre	Lower Hutt	5045
Kiwi Sheds Northland Limited (In Liquidation)	PO Box 6092	Victoria Street West	Auckland	1142

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of KSN Group 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 29th day of November 2022

Appendix 6

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of KSN Group Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of KSN Group 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.


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Iain McLennan
LIQUIDATOR

Dated this 29th 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: / /

CLAIM REJECTED FOR PAYMENT:

\$

Preferential Claim for:

Ordinary Claim for:

\$

or
CLAIM ADMITTED FOR PAYMENT:

\$

Preferential Claim for:

Ordinary Claim for:

\$

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.



McDonald Vague
business recovery partners



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: \$ _____