



McDonald
Vague

business recovery partners

KSN GROUP LIMITED (IN LIQUIDATION)

McDonald Vague Limited

Level 1, 136 Greenlane East,
Auckland 1051

PO Box 6092, Victoria Street West,
Auckland 1142, New Zealand

p: 09 303 0506

f: 09 303 0508

e: insol@mvp.co.nz

www.mvp.co.nz

Liquidators' Second Report For the period from 4 November 2022 to 3 May 2023

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.

This report has been prepared pursuant to Section 255(2)(d) of the Companies Act 1993 (**Act**) for the purpose of reporting on the liquidation of the Company. A Statement of Realisations and Distributions is **attached** as Appendix 1.

The report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

2 RESTRICTIONS

This report should be read in conjunction with the liquidators' previous report.

This report has been prepared using the information known to us. We have not independently verified the accuracy or reliability of the information provided or undertaken audit of the Company. 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 at the date of this report which becomes known to us after that date.

3 UPDATED INTERESTS STATEMENT

We have not become aware of any circumstances, relationships, or other facts since we last prepared an interests statement that create, or could reasonably be perceived as creating, a conflict of interest for us in relation to our independence as liquidators.

4 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

During the reporting period, we have:

- Entered into an unconditional agreement to sell the company's property asset. The transaction settled at the end of March 2023.
- Established that this company is probably solvent
- Collected funds that had been withheld by related parties
- Continued to pay the company commitments in regard to the property
- Established the company's tax position
- Established the amount owed to a related company
- Liaised with the mortgagee and the company shareholders
- Prepared final tax returns for filing
- Prepared for a distribution to shareholders

Since our appointment, we have:

- All of the above
- Interviewed the directors and other parties with knowledge of the affairs of the Company
- Uplifted and reviewed the Company's books and records
- Investigated the affairs of the Company and the reasons for its liquidation

5 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. There are no further matters that have come to the knowledge of the liquidators that could eventuate in a benefit to creditors or stakeholders.

6 CREDITORS' CLAIMS

In the interest of minimising liquidator's fees, the liquidators will only formally accept or reject creditors' claims if there are funds available to pay a distribution.

The following claims have been received:

CLAIMS RECEIVED	NUMBER	VALUE	DISTRIBUTIONS	¢ IN THE \$
GSA Holders	Nil	Nil		
Specific Securities	Nil	Nil		
Applicant Creditor Preferential Claim	1	1691	1691	100
IRD Unsecured Claim	1	4,071	4,071	100
Other Unsecured Claims	2	142,358	111,930	

The claims above exclude any further payment to IRD. Consideration of one unsecured creditor's claim is underway.

No securities remain registered over the Company's assets.

7 LIQUIDATORS' FEES

The Company has paid interim and liquidators' fees and disbursements to the end of the reporting period totalling \$18,918 plus GST (\$21,755 including GST).

Including the interim liquidation period, the liquidators' time costings to the cut-off date total \$24,963 plus GST, based on 101.28 hours of work undertaken are detailed in Appendix 2.

Liquidators' fees in a Court ordered liquidation are to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators.

8 FUNDS / LIKELY OUTCOME

The liquidators expect that all company creditors will be paid in full, with a return to the company shareholders.

9 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Finalise a creditor's claim matter
- Finalise tax affairs with IRD
- Distribute to Shareholders
- Wind the company up

We estimate the above will occur within the next 6 month reporting period

10 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 (License No: IP82)

Dated this 5th day of May 2023

Appendix One

Realisations and Distributions	2nd/subsequent		Movement this reporting period
	Since initial report	Since last report	
KSN Group Limited (In Liquidation)			
8 August 2022 to 3 May 2023			
	03/05/2023	As at end of interim liquidation 4 November 2022	
Realisations			
Bank Account Closure	31,539	31,539	-
Refund Funds	21,200	21,200	-
Income Tax refund	-	-	-
Interest	969	5	964
Sale of Land	476,406	-	476,406
Total Realisations	530,114	52,744	477,370
Payments			
Liquidators Fees			
Liquidators Fees	21,501	15,337	6,164
Disbursements	254	254	0
Total Liquidators Fees	21,755	15,591	6,164
Other Costs of Liquidation and Trading On			
Legal Fees	2,422	-	2,422
Accounting Fees	7,000	-	7,000
Withholding Tax	271	1	270
Maintenance	437	-	437
Rent via BNZ Loan Payment	5,381	3,990	1,391.30
Rent via Rates	1,105	554	551.41
Rent via Property Valuation	1,610	1,400	210.00
Total Costs of Liquidation and Trading On	18,227	5,945	12,282
Distributions			
Secured Creditor	118,931	-	118,931
Applicant Creditors preferential Court costs	1,691	-	1,691
Dividends to Unsecured Creditors	111,930	-	111,930
Total Distributions to Unsecured Creditors	232,552	-	232,552
Total Payments	272,534	21,536	250,998
BALANCE HELD	257,580	31,208	226,372
Note: Amounts recorded are GST inclusive			

Appendix Two

KSN GROUP LIMITED (IN LIQUIDATION) BREAKDOWN OF LIQUIDATORS REMUNERATION AND EXPENSES FOR THE PERIOD OF THE LIQUIDATION

8 August 2022 to 3 May 2023

Time costs by Position and Work Type	Hourly rate	Appointment Functions		Asset Realisation		Creditors & Report		Management & Tax		Investigation		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Directors /Partners /Consultants/Liquidators	\$400	15.90	4,079	6.9	2,664	9.5	3,610	5.60	2,240	6.1	1,465	44.00	\$14,058
Forensic Accountants / Associates	\$300 - \$380	4.65	970	12.57	2,773	10.24	2,211	6.0	1,248	5.72	1,143	39.18	\$8,345
Insolvency Managers	\$140 - \$280												
Insolvency Accountants	\$140 - \$200	6.50	1,250			0.50	100					7.00	\$1,350
Secretarial & Clerical Assistants	\$50 - \$170							11.10	1,210			11.10	\$1,210
Total		27.05	6,299	19.47	5,437	20.24	5,921	22.70	4,698	11.82	2,608	101.28	\$24,963

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	\$222
Total	

Work completed includes but is not limited to:

Appointment	All matters on the commencement of the appointment
Creditors	All communications, claims, reporting, enquiries
Asset Realisations	All matters in respect of the potential sale of assets/business/IP and subsequent sale of assets including trading/debtors
Management & Tax	All matters in respect of statutory reporting and the management of the file
Investigation	Analysis of bank statements, review of historic transactions and accounts to identify avenues for recovery