



McDonald  
Vague

business recovery partners

## Natural Insulation (NZ) Limited (In Liquidation)

### Liquidators' Eleventh Report (for the period from 24 December 2017 to 23 June 2018)

McDonald Vague Limited

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#### 1 INTRODUCTION AND APPOINTMENT

Tony Leonard Maginness and Peri Micaela Finnigan, Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of Natural Insulation (NZ) Limited ("the company") on 24 June 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 eleventh 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 Bank Account Closure and Cash On Hand**

There was \$50 in the company's bank account as at the date of liquidation and \$10 cash on hand. These sums were recovered by the liquidators.

##### **3.2 Trade Debtors**

\$149,115 was recovered from trade debtors. All recoverable trade debts have been recovered.

### **3.3 Interest**

\$1,265 in interest has been earned to 23 December 2017.

### **3.4 Franchise Fees**

\$598 in franchise fees was recovered from the company's franchisees.

### **3.5 Fixed Assets**

\$45,672 has been realised from the sale of fixed assets at auction, made up of \$30,107 from the sale of plant and equipment and \$15,565 from the sale of vehicles. Most of the plant and equipment was highly specialised to the insulation industry; the industry was facing a downturn when the assets were sold. No further fixed asset realisations are anticipated.

### **3.6 Inventory**

\$618 was realised from the sale of inventory at auction. No further inventory realisations are expected.

## **4 INVESTIGATIONS**

The liquidators' investigations into the books, records and affairs of the company remain ongoing.

The liquidators have investigated the actions of the company's directors and written to the directors about matters of concern arising prior to the company's liquidation. As the liquidators do not want to prejudice their position, no further details are being provided at this time.

## **5 CREDITORS' CLAIMS**

### **5.1 Secured Creditors**

A secured claim of \$10,167 was received from Marac Finance Limited in relation to security held over certain plant and vehicles. Subsequent to the realisation of the security, the liquidators made a distribution of \$6,175. As at the date of this report, Marac Finance Limited's security has been discharged.

BMW Financial Services held security over a vehicle. Subsequent to the realisation of the security, the liquidators made a distribution of \$12,125. A balance of \$6,187 remains owing to BMW Financial Services. As at the date of this report, BMW Financial Services' security has been discharged.

A claim of \$110,950 was received from Autex Industries Limited, who held specific security over stock supplied and proceeds. The liquidators have paid a distribution of \$25,716, after completing a tracing exercise into the creditor's secured entitlement in trade debtors collected. As at the date of this report, Autex Industries Limited's security has been discharged.

As at the date of this report, there is a financing statement registered over the company in favour of Kingsway Auto Electrical Limited in relation to security held over a vehicle. Kingsway Auto Electrical Limited has filed an unsecured claim of \$1,303.

### **5.2 *Preferential Creditors***

The liquidators received employee claims totalling \$10,797. The employee claims have been paid in full.

The liquidators have paid a distribution of \$16,942 to three claimants in accordance with clause 1(1)(e) of the Seventh Schedule of the Companies Act 1993. The distributions relate to assistance provided to the liquidators in relation to the recovery of assets owned by the company.

The Inland Revenue Department has submitted a preferential claim for \$94,277. No distribution has been paid to the Inland Revenue Department as at the date of this report.

The liquidators have received two other preferential claims totalling \$45,650. Because these claims rank after the Inland Revenue Department's preferential claim and in the interest of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting these creditors' claims until such time as we are in a position to pay a distribution.

### **5.3 *Unsecured Creditors***

As at the date of preparing this report, 53 unsecured creditors' claims have been received totalling \$913,714. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting these creditors' claims until such time as we are in a position to pay a distribution.

## **6 FUNDS / LIKELY OUTCOME**

There will be a shortfall on the amount due to preferential creditors. Accordingly, at this stage, the liquidators do not anticipate paying a distribution to unsecured creditors.

## **7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION**

The following matters are outstanding:

- Completion of investigations and associated recovery action
- Completion of liquidation

## **8 ESTIMATED DATE OF COMPLETION**

It is too early for the liquidators to estimate the date of completion of this liquidation.


## 9 CONTACT DETAILS

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

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BORIS VAN DELDEN  
LIQUIDATOR

DATED this 11 day of July 2018

# Realisations and Distributions

## Natural Insulation (NZ) Limited (In Liquidation) 24 June 2013 to 23 June 2018

	Cash Received \$
<b>Realisations</b>	
Bank Account Closure	50
Cash on Hand	10
Debtors Recovered	149,115
Interest Received	1,265
Franchise Fees	598
Sale of Assets	30,107
Sale of Inventory	618
Sale of Motor Vehicles	15,565
<b>Total Realisations</b>	<b>\$197,327</b>
<b>Payments</b>	
<b>Liquidators Fees</b>	
Liquidators Fees	93,010
Disbursements	4,116
<b>Total Liquidators Fees</b>	<b>\$97,126</b>
<b>Other Costs of Liquidation</b>	
Accountants and Other Advisors	2,427
Auction Expenses	5,384
Bank Fees	203
Contractor Payments	5,363
Debt Collection Costs	174
Interest	3
Legal Fees	9,075
Rent	1,147
Resident Withholding Tax	354
Sundry Expenses	194
Trading On Expenses	3,286
Utilities	830
<b>Total Costs of Liquidation</b>	<b>\$28,441</b>

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**Distributions**

Distributions to Secured Creditors	44,016
Distribution to Employees - Preferential Wages and Holiday Pay	10,797
Distribution to Preferential Creditors - (Schedule 7, Clause 1(1)(e))	16,942
<b>Total Distributions to Creditors</b>	<b>\$71,755</b>

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<b>Total Payments</b>	<b>\$197,321</b>
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<b>BALANCE HELD</b>	<b>\$6</b>
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**Note:** the above figures are GST exclusive