

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

Liquidators' Second Report For the period from 4 July 2013 to 3 January 2014

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Tony Leonard Maginness, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of K. S. Johnson Construction N. Z. Limited ("the company") on 4 July 2013.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This second report should be read in conjunction with the liquidators' previous report. 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

This report has been prepared in accordance with section 255(2)(d) of the Act. 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, revise this report in respect of any information existing at the date of this report which 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 have lodged a claim in the Mainzeal liquidation for \$1.059 million for supplies made up to 6 February 2013 and retentions of \$95,000. The likelihood of recovery from Mainzeal is unknown. The Mainzeal liquidators six monthly report issued on 24 September 2013 said:-

“Likely distribution to unsecured creditors

The quantum of any distribution to unsecured creditors will depend on the Liquidators being able to achieve significant recovery from RGEL, IVL and CHC as well as other causes of action available to the Liquidators. If the Liquidators are not successful the quantum of a dividend (if any) is not likely to be substantial.”

Note abbreviations: RGEL – Richina Global Estate Limited
IVL – Isola Vineyards Limited
CHC – Richina China Pacific Investments Limited

The Mainzeal liquidators have sought pooling orders to pool the wider Mainzeal group of companies and King Facade Limited (In Liquidation). They are reviewing potential voidable transactions, related party debtor recoveries, management/director actions, etc. The outcome of the Mainzeal liquidation will determine if there is a distribution to the creditors of K. S. Johnson Construction N. Z. Limited (In Liquidation).

3.2 Tools of Trade and Trade Debtors **(Statement of Affairs: \$500)**

The liquidators have recovered \$413 on the sale of the company tools and \$3,600 from the collection of debtors. The liquidators have sought recovery of tools left on site at MIT prior to the cancellation of the contract between Mainzeal and MIT.

3.3 Closure of Bank Account and Cash on Hand

The liquidators have received \$492 in respect to the above.

4 INVESTIGATIONS

The liquidators have commenced their investigations into the books, records and affairs of the company. The liquidators have considered various actions the director and company quantity surveyor have raised as being potential actions against various parties. There were no matters that came to the knowledge of the liquidators that could eventuate in a benefit to creditors.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

No secured claims have been received.

5.2 Preferential Creditors

A preferential claim has been received in respect of the ANZ Bank in the amount of \$342. The liquidators have not received this claim.

The Inland Revenue Department has submitted a preferential claim for \$87,257.

No dividend has been paid to preferential creditors at the date of this report.

5.3 Unsecured Creditors

As at the date of preparing this report nine unsecured creditors claim forms have been received which total \$419,240. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution.

6 FUNDS / LIKELY OUTCOME

It is too early to determine whether or not there will be a distribution to unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matter is outstanding:

- Mainzeal debtor write off or recovery from liquidation

8 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators within the next two years.

9 CONTACT DETAILS

Enquiries should be directed to Daniel Zhang on DDI (09) 306 3352 or by email to dzhang@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 19 day of February 2014

Realisations and Distributions

K. S. Johnson Construction N. Z. Limited (In Liquidation)
4 July 2013 to 3 January 2014

Realisations	As Per Statement of Affairs \$	Cash Received \$
Trade Debtors – Mainzeal	Unknown	Nil
Tools of Trade	500	413
Advance from Shareholders		2,500
Bank Account Closure		310
Cash on Hand		183
Debtors		3,600
Total Realisations	\$500	\$7,006
Payments		
Liquidators Fees		
Liquidators Fees		6,436
Disbursements		93
Total Liquidators Fees		\$6,529
Other Costs of Liquidation		
Auction Fees		96
Total Costs of Liquidation		\$96
Total Payments		\$6,625
BALANCE HELD		\$381

Note: the above figures are GST exclusive