

Natural Insulation (NZ) Limited (In Liquidation)

Liquidators' Second Report For the period from 24 June 2013 to 23 December 2013

1 INTRODUCTION AND APPOINTMENT

Tony Leonard Maginness and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Natural Insulation (NZ) Limited ("the company") on 24 June 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 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

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 Inventory

\$566 has been realised from the sale of inventory by way of auction. No further inventory realisations are expected.

3.2 Trade Debtors

\$138,159 has been collected from trade debtors to date. Remaining balances are with the liquidators' solicitors and debt collectors.

3.4 Fixed Assets

\$45,672 has been realised from the sale of fixed assets by way of auction, which is made up of \$30,107 from the sale of plant and equipment and \$15,565 from the sale of vehicles. The majority of plant and equipment was highly specialised and could only be used in the insulation industry, an industry that was facing a downturn.

4 INVESTIGATIONS

The liquidators' investigations into the books, records and affairs of the company remain ongoing. As a result of investigations to date a voidable transaction of approximately \$67,000 has been identified.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

A secured claim of \$10,167 has been 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.

A secured claim has been received from BMW Financial Services in relation to security held over a vehicle. Subsequent to the realisation of the security, the liquidators made a distribution of \$12,125.

A claim of 110,950 has been received from Autex Industries Limited, who held specific security over stock supplied and proceeds. The liquidators have paid a distribution of \$29,573 after the completion of a tracing exercise into the creditor's secured entitlement in trade debtors collected to date.

5.2 Preferential Creditors

The liquidators have received employee claims totalling \$10,797. The liquidators have made a distribution of \$10,797.

The liquidators have paid a distribution of \$16,942 to three claimants in accordance with section 1(1)(e) of the Seventh Schedule of the Companies Act 1993, this relating 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 at the date of this report.

5.3 *Unsecured Creditors*

As at the date of preparing this report 52 unsecured creditors claim forms have been received which total \$903,574. 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

There will be a shortfall on the amount due to preferential creditors. Therefore, at this stage the liquidator does not anticipate paying a distribution to unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Collection of trade debtors.
- Completion of investigations and associated recovery action.

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 year.

9 CONTACT DETAILS

Enquiries should be directed to the writer on DDI (09) 303 9511 or by email to tmaginness@mvp.co.nz.

The Liquidators can be contacted at:

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TONY L MAGINNESS
LIQUIDATOR

DATED this 11 day of February 2014

Realisations and Distributions

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

23 Dec 13

Realisations	
Bank Account Closure	50
Cash On Hand	10
Debtors Recovered	138,159
Interest Received	558
Lease/Rental Income	598
Sale of Fixed Assets	45,672
Sale of Inventory	566
Total Realisations	185,612
Payments	
Liquidators' Fees	
Disbursements	1,890
Liquidators Fees	68,773
Total Liquidators' Fees	70,663
Other Costs of Liquidation	
Accountants and Other Advisors	2,427
Auction Expenses	5,377
Bank Fees	72
Contractor Payments	5,363
Debt Collection Costs	174
Interest	3
Legal Fees	9,075
Rent	1,147
Resident Withholding Tax	156
Sundry Expenses	194
Trading On Expenses	3,286
Utilities	830
Total Other Costs of Liquidation	28,105
Distributions	
Distributions to Preferential Creditors - Employees	10,797
Distributions to Preferential Creditors - Section 11(e)	16,942
Distributions to Secured Creditors	47,873
Total Distributions	75,612
Total Payments	174,380
BALANCE HELD	11,232