



McDonald
Vague

business recovery partners

Natural Insulation (NZ) Limited (In Liquidation)

Liquidators' Tenth Report (for the period from 24 June 2017 to 23 December 2017)

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 tenth 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. As the liquidators do not want to prejudice their investigations, 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.

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.

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.

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, 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.

The liquidators can be contacted at:

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BORIS VAN DELDEN
LIQUIDATOR

DATED this 22 day of January 2018

Realisations and Distributions

Natural Insulation (NZ) Limited (In Liquidation) 24 June 2013 to 23 December 2017

	Cash Received \$
Realisations	
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
Total Realisations	\$197,327
Payments	
Liquidators Fees	
Liquidators Fees	92,967
Disbursements	4,116
Total Liquidators Fees	\$97,083
Other Costs of Liquidation	
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
Total Costs of Liquidation	\$28,441

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
Total Distributions to Creditors	\$71,755
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Total Payments	\$197,278
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BALANCE HELD	\$49

Note: the above figures are GST exclusive