

# **MAINZEAL GROUP LIQUIDATION**

**Liquidators' Six-monthly Report to Creditors  
and Shareholders**

**Pursuant to Section 255 of the Companies Act 1993**

**Reporting Period: 28 August 2025 to 27 February 2026**

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## 1. Introduction

Brian Mayo-Smith and Andrew James Bethell (IP5), of BDO Auckland and Stephen John Tubbs, of BDO Christchurch, all Chartered Accountants (“the Liquidators”), were appointed joint and several liquidators of the below Companies on 28 February 2013 by special resolution of the shareholders in accordance with Section 241(2)(a) of the Companies Act 1993 (“the Act”) with approval of the High Court:

- Mainzeal Property and Construction Limited (“MPCL”)
  - Mainzeal Living Limited (“MLL”)
  - 200 Vic Limited
  - Mainzeal Group Limited
  - Building Futures Group Holdings Limited
  - Building Futures Group Limited
  - Mainzeal Residential Limited
  - Mainzeal Construction Limited
  - Mainzeal Limited
  - Mainzeal Construction SI Limited
  - MPC NZ Limited
  - RGRE Limited
- (together “the Companies”)

The Liquidators were earlier appointed liquidators of King Facade Limited (“KFL”) on 12 February 2013, also by special resolution of the shareholders in accordance with Section 241(2)(a) of the Act.

Stephen Tubbs retired as liquidator on 8 December 2016 prior to his retirement from BDO Christchurch. On 30 August 2021 and as a result of legislative changes, Brian Mayo-Smith retired as liquidator and BDO Auckland partner, Andrew McKay (IP40), was appointed replacement liquidator. On 26 November 2024, Andrew Bethell resigned as liquidator of all the Companies and KFL and Rees Graham Logan, Chartered Accountant and Licensed Insolvency Practitioner (IP34 of BDO Auckland, was appointed to act as joint and several liquidator with current liquidator Andrew John McKay (IP40).

In accordance with Section 255 of the Act we are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six-month period.

On 25 June 2013, an order was granted by Keane J, that the liquidations of the Companies and KFL be conducted as if those Companies and KFL were one company. We report on all the Companies and KFL together using 28 February 2013 as the liquidation commencement date.

This report should be read in conjunction with our previous reports for the Companies and KFL.

In addition to our statutory obligations, we are also bound by New Zealand Institute of Chartered Accountants Insolvency Services Standard and the RITANZ Code of Professional Conduct (“Code”) when carrying out all professional work relating to our appointment as Liquidators.

Liquidators of insolvent companies are required to be licensed insolvency practitioners. Further details regarding the regulation of insolvency practitioners is available from the Registrar of Companies at: [www.companiesoffice.govt.nz/all-registers/insolvency-practitioners/](http://www.companiesoffice.govt.nz/all-registers/insolvency-practitioners/).

## 2. Restrictions

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without our written permission in each specific instance.

We do not assume any responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

We reserve the right (but will be under no obligation) to review this report and if we consider it necessary to revise the report in the light of any information existing at the date of this report which becomes known to us after that date.

## 3. Conduct of the Liquidation within the reporting period

### Litigation against MPL's directors and KFL

As advised in our previous reports, the Supreme Court released its judgment in relation to the Directors' appeal and Liquidators' cross appeal on Friday 25 August 2023 in relation to the case the Liquidators brought against the Directors.

The Supreme Court dismissed the appeals by the Directors and in part allowed the cross appeal of the Liquidators. The Supreme Court ordered the Directors to contribute to the assets of the Companies \$39.8m together with interest at the prescribed rates for the period from 28 February 2013 to the date of the Judgment. With interest, the judgment sum exceeds \$60m.

Dame Shipley and Messrs Tilby and Gomm were held liable for \$6.6m each plus interest and Mr Yan was held liable for the full judgment sum. Calculations of interest payable indicated that Dame Shipley and Messrs Tilby and Gomm would be liable for a further \$3.4m each in respect of the interest component, making their individual liability of approximately \$10m each.

In addition, the Directors were ordered to pay costs of \$65,000 plus disbursements.

### Recovery Action

As previously reported, the Liquidators have settled with three of the defendant directors (Dame Shipley, Gomm and Tilby).

The Liquidators sought and obtained the bankruptcy adjudication of the remaining liable director, Richard Yan in relation to enforcement of the judgment sums. Mr Yan's bankruptcy is being handled by the Official Assignee. We understand that the Official Assignee has made some recovery in Mr Yan's bankruptcy, however, at this stage we are unsure exactly when any distributions might be made to Mr Yan's creditors. There is an expectation that an interim dividend may be made in the next reporting period.

The Liquidators have initiated proceedings against the Inland Revenue Department on the question of whether the insurance proceeds were subject to GST, and against QBE seeking (if it is determined that the insurance amount was subject to GST) an additional amount on account of GST and separately an

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additional amount relating to Mr Yan. The matter was heard in October 2025 and we are awaiting the Court's decision.

## Distribution

Distributions to date total 10 cents in the dollar. The liquidators anticipate making a further distribution in the next reporting period.

There is still a significant number of creditors who have failed to respond to the liquidators' communications and for whom the liquidators have insufficient information to make the distribution payments. If at the conclusion of the liquidation we have been unable to contact those creditors, unclaimed funds will be transferred to the appropriate authority.

Where admitted creditors have not provided the liquidators with the requested bank account or contact details, the dividend entitlements for those admitted creditors will be held on trust until that information is provided.

## Receipts and Payments

Attached as **Appendix 1** is a Statement of the Receipts and Payments for the Reporting Period.

## Creditors Claims

### Preferential Creditors

All preferential creditors have been paid in full as advised in our previous reports.

### Unsecured Creditors

There have been a few new creditor claims received subsequent to the Supreme Court judgment. The current creditor numbers are as follows:

Creditors' Claims Summary	Admitted		Rejected/ Reduced		WIP		Total Claimed	
	\$	#	\$	#	\$	#	\$	#
Total	111,678,964.89	1,397	47,385,332.02	163	351,735.39	3	159,416,032.30	1,414

## 4. Further proposals for completing the liquidation

### Future distributions to unsecured creditors

As noted earlier in this report, it is anticipated that a further distribution to admitted creditors will be made in the next reporting period.

### Estimated date of completion

It is not possible at this time to estimate the date that this liquidation will be completed.

## 5. Interests statement

Attached as **Appendix 2** is an updated Interests Statement.

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## 6. Liquidators' Remuneration

Attached at **Appendix 3** is a breakdown of the Liquidators' fees for the reporting period.

## 7. Contact information

If you require any further information, please direct enquiries to:

Adrienne Stone (adrienne.stone@bdo.co.nz)  
BDO Auckland  
PO Box 2219  
Level 4 BDO Centre  
4 Graham Street  
Auckland 1140

DATED this 27th day of March 2026.



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Andrew McKay  
Liquidator



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Rees Logan  
Liquidator

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# APPENDICES

## Appendix 1 - Receipts and Payments

Mainzeal Group Liquidation For the Period 28 August 2025 to 28 February 2026 Summary of Receipts and Payments	Previous Reporting Period	Current 6 months	Total From Appointment 12-Feb-13 to 28-Feb-26
	\$'000s	\$'000s	\$'000s
<b>Receipts</b>			
Net Costs Awarded	2,007	0	2,007
Funds Received (Litigation)	23,834	0	23,834
Funds Received (Debtors)	2,000	0	2,000
Isola Interim Distribution	3,028	0	3,028
Surplus from Receivers	8,164	0	8,164
Litigation Funding	8,449	0	8,449
Accounts Receivables and Retentions	727	0	727
Stock	439	0	439
Net Interest	1,302	44	1,347
Fixed Assets	228	0	228
Other Income	129	0	129
Funds Held by PwC	40	0	40
Retainer Fees	2	0	2
Net GST	49	0	49
<b>Total Receipts</b>	<b>50,400</b>	<b>44</b>	<b>50,444</b>
<b>Payments</b>			
Payment to Litigation Funder	18,351	0	18,351
Distribution to Unsecured Creditors	9,179	0	9,179
Distribution to Preferential Creditors	275	0	275
Payroll Deductions	321	0	321
Legal Fees	8,957	248	9,205
Liquidators' Remuneration	4,591	20	4,611
Contractors & Consultants	771	0	771
Records Storage	661	6	667
Administrative Expenses	300	8	308
IT Hosting	168	3	171
Wages & Salaries	74	0	74
<b>Total Payments</b>	<b>43,649</b>	<b>284</b>	<b>43,933</b>
<b>Cash on Hand</b>	<b>6,752</b>	<b>(240)</b>	<b>6,512</b>
Of the \$6.512 million cash on hand, \$1.711 million is held on trust in relation to the 1st and 2nd distributions where admitted creditors have not yet provided their required bank account details			

## Appendix 2 - Interest Statement (Updated)

Pursuant to section 255A of the Companies Act 1992

This Interests Statement is to be read in conjunction with the Liquidators' Interests Statement in their previous report.

We, Andrew McKay and Rees Logan, Licensed Insolvency Practitioners of BDO Auckland, (Registration Numbers: IP40 and IP34 respectively), declare that:

- We have made the appropriate inquiries that are required for ensuring that this Interests Statement is complete; and
- Since the date of our previous Interests Statement, we confirm that we have not become aware of any additional circumstance, relationship, or other fact that creates, or could reasonably be perceived as creating, a conflict of interest in relation to the independence of our role as Liquidators.

DATED this 27th day of March 2026.



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**Andrew McKay**  
Liquidator  
Licensed Insolvency Practitioner  
Registration Number: IP40



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**Rees Logan**  
Liquidator  
Licensed Insolvency Practitioner  
Registration Number: IP34

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## Appendix 3 - Liquidators' Remuneration

Mainzeal Group Liquidation - For the Period 28 August 2025 to 28 February 2026											
Liquidators' Remuneration	Hourly Rate	Administration & Trading		Creditors		Investigation		Reporting		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Partners	758.30	1.50	1,150.00	0.00	0.00	8.25	6,270.00	2.00	1,490.00	11.75	8,910.00
Associate	671.22	0.50	335.00	1.10	743.00	0.00	0.00	3.30	2,211.00	4.90	3,289.00
Senior Manager	620.00	0.00	0.00	1.00	620.00	3.75	2,325.00	3.50	2,170.00	8.25	5,115.00
Support Staff	172.71	15.27	2,636.67	0.00	0.00	0.00	0.00	0.00	0.00	15.27	2,636.67
<b>Total</b>		<b>17.27</b>	<b>4,121.67</b>	<b>2.10</b>	<b>1,363.00</b>	<b>12.00</b>	<b>8,595.00</b>	<b>8.80</b>	<b>5,871.00</b>	<b>40.17</b>	<b>19,950.67</b>

**Administration:** Cashbook and IPS maintenance, GST returns  
Review records and confirm destruction

**Creditors:** Communications with creditors, update schedule and notify MFUG

**Investigations:** Calculations for litigation, document searches  
Liaising with litigation funder  
Review of agreed statement of facts and document timeline  
Review submissions for litigation  
Discussions with OA

**Reporting:** Draft, review, amend and finalise six-month report  
Arrange upload and release to all admitted creditors.

All matter incidental thereto

