

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

Liquidators' First Report

Bellona Limited (In Liquidation)

1. Appointment

We advise that Arron Leslie Heath, Jeffrey Philip Meltzer and Lloyd James Hayward were appointed joint and several Liquidators of the above company on 13 November 2008 by special resolution of shareholders.

Arron Leslie Heath, Jeffrey Philip Meltzer and Lloyd James Hayward are Chartered Accountants and full time Insolvency Practitioners. In February 2008 they were appointed liquidators of a number of companies associated with the Blue Chip Franchise Group. Bellona Limited also a company associated with the Blue Chip Franchise Group. Apart from this matter they have not previously acted in any capacity for the company or the officers and shareholders of the company.

The Liquidators believe they have complied with s280 of the Companies Act 1993 and have signed Consents to Act to that effect.

2. Background

<i>Date of Incorporation:</i>	30 November 2004
<i>Trading Address:</i>	191 Queen Street, Auckland
<i>Type of Business:</i>	Property
<i>Date Ceased Trading:</i>	13 November 2008
<i>Shareholders:</i>	Blue Chip Homes Limited 100 shares
<i>Directors:</i>	David Frederick Stubbs
<i>Share Capital:</i>	100 ordinary shares
<i>Date of Liquidation:</i>	13 November 2008

3. Events Leading to Appointment

The company holds two properties that had been acquired from former Blue Chip investors. There are secured lenders who have mortgage security over each of the properties.



The company itself is part of the Blue Chip investment group that includes Blue Chip New Zealand Limited (in Liquidation). The liquidators of Blue Chip New Zealand Limited have concluded that it is in the best interests of creditors that the company be placed into liquidation.

4. Statement of Affairs

The Liquidators have prepared an Estimated Statement of Affairs being the assets and liabilities of the company at the date of liquidation. We attach a copy.

5. Proposals for Conducting the Liquidation

5.1 Realisation of Assets

The company holds two properties that are presently rented as residential units. All rentals are applied to holding costs and mortgage repayments. Both properties have been on the market for sale for some time without a sale being completed. At this time it appears that at best the properties may sell at values approximating the secured debt on each of the properties.

5.2 Examination of Books and Records

The Liquidators will examine the company's available books and records and conduct a brief review of the company's affairs.

5.3 Knowledge of Information Relevant to the Liquidation

Should creditors and other parties possess any information that may be relevant to the liquidation, or may lead to realisations for the benefit of creditors, please advise the Liquidators in writing and provide them with copies of supporting documents.

6. List of Creditors

A list of all known creditors has been compiled by the Liquidators. We attach a copy.

7. Creditors Claim Form

Creditors should complete and return the attached Creditor's claim form by 15 December 2008. Creditors who do not make a claim within the period may be excluded from any distribution that may be made.

8. Retention of Title Claims/Security Interests

Please note, if you believe you have a valid retention of title claim or security interest over goods or equipment supplied to Bellona Limited (In Liquidation), and you have not yet contacted the Liquidators, please contact us immediately.

9. Initial Creditors Meeting

As it is unlikely there will be a distribution to creditors, pursuant to s245 of the Companies Act 1993 the Liquidators propose to dispense with the meeting of creditors to consider whether to appoint different Liquidators, and to consider the views of creditors.

Accordingly a meeting of creditors will not be called unless a creditor gives notice to the Liquidators within 10 working days after receiving this notice, requiring a meeting to be called.

10. Liquidation Committee

At any time during the liquidation, any creditor may in writing, request the Liquidators to call a meeting of creditors to consider whether a Liquidation Committee should be appointed, and if so, to choose the members of the Committee.

A Liquidation Committee has certain powers set out in s315 of the Companies Act 1993, including to assist the Liquidators as appropriate in the conduct of the liquidation.

11. Estimated Date of Completion of Liquidation

It is not practicable to estimate the date of completion of the liquidation at this stage.

Enquiries should be directed to: Lloyd Hayward

L J Hayward
Liquidator

Dated this 13th day of November 2008

Attach:

**Estimated Statement of Affairs of
Bellona Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 13 November 2008**

		<i>Book Value</i>	<i>Estimated Realisable Value</i>
		\$	\$
Assets not Specifically Pledged:			
		NIL	NIL
	<i>Estimated to Realise</i>	<i>Owed to Secured Creditor</i>	NIL
Assets Specifically Pledged:			
Residential Property	UNKNOWN	358,000	NIL
			NIL
Estimated Total Assets Available for Preferential Creditors and Secured Creditors			NIL
<i>Less – First Ranking Preferential Creditors</i>			
Wages and Holiday Pay (Includes PAYE)			NIL
			NIL
<i>Less – Second Ranking Preferential Creditors</i>			
Inland Revenue Department	GST PAYE	_____	NIL
			NIL
Estimated Total Assets Available for Secured Creditors and Unsecured Creditors			NIL
<i>Less – Secured Creditors</i>			NIL
Estimated Total Deficiency as regards Unsecured Creditors and Shareholders			NIL
<i>Less – Unsecured Creditors (estimated)</i>			75,000
Total Deficiency as regards Unsecured Creditors and Shareholders			100
<i>Less – Issued and Paid Up Capital</i>			NIL
Total Deficiency as regards Unsecured Creditors and Shareholders			NIL

Note: The above estimates are subject to the costs of realisation, including Liquidators' fees.

Disclaimer of Liability:

We have prepared the Estimated Statement of Affairs as at the date of liquidation being 13 November 2008.

The Estimated Statement of Affairs has been prepared based on information from the books and records of the company together with information supplied by the Director. This information has not been verified. The Liquidators have not carried out an audit or reviewed the information supplied and therefore they do not accept any responsibility for the accuracy of the information from which the Estimated Statement of Affairs has been prepared. Further, the Estimated Statement of Affairs has been prepared for the purpose of the liquidation only, and the Liquidators do not accept any responsibility on any ground whatever, including liability in negligence, to any other person.

L J Hayward
Liquidator

13 November 2008

Notice to Registrar

No. of Company: 1582837

Companies Act 1993

**Notice of Appointment of Liquidators
Pursuant to Section 255 (2)(b)**

Name of Company: Bellona Limited (In Liquidation)

Presented by: Meltzer Mason Heath
Chartered Accountants
P O Box 6302
Wellesley Street
AUCKLAND 1141

To the Registrar of Companies:

We, Arron Leslie Heath, Jeffrey Philip Meltzer and Lloyd James Hayward, give you notice that we were appointed joint and several Liquidators of Bellona Limited (In Liquidation) on 13 November 2008 at 10.00am by the shareholders.

Dated this 13th day of November 2008

L J Hayward
Liquidator

Address of Liquidators:

Meltzer Mason Heath, Chartered Accountants, P O Box 6302, Wellesley Street, Auckland 1141.
Telephone (09) 357 6150. Facsimile: (09) 357 6152

Bellona Limited (In Liquidation)
Creditors Known at Liquidation
November 2008

Company	Address1	Address2	City
Blue Chip New Zealand Limited (In Liquidation)	C/- PO Box 6302	Wellesley Street	AUCKLAND
Waitakere City Council	Private Bag 93109	Henderson	AUCKLAND
Body Corporate 322588	C/- Grove DARlow & Partners	PO Box 2882	AUCKLAND

Attention: Jim Lekbridge