

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

Liquidators' First Report

Flax New Zealand Limited (In Liquidation)

1 Appointment

We advise that Jeffrey Philip Meltzer and Lloyd James Hayward were appointed joint and several Liquidators of the above company on 17 February 2011 by special resolution of shareholders.

Jeff Meltzer and Lloyd Hayward are Chartered Accountants and full time Insolvency Practitioners. They have not previously acted in any capacity for the company or the officers and shareholders of the company.

2 Background

<i>Date of Incorporation:</i>	11 June 2007
<i>Trading Address:</i>	308 Henderson Valley Road, Henderson, Auckland
<i>Type of Business:</i>	Cafe Operator
<i>Date Ceased Trading:</i>	16 February 2011
<i>Shareholders:</i>	Tina Marie Klay 120 shares Janine Juanita Hick 120 shares Marlene Joyce Rika 60 shares
<i>Directors:</i>	Janine Juanita Hick Tina Marie Klay Marlene Joyce Rika
<i>Share Capital:</i>	300 ordinary shares
<i>Date of Liquidation:</i>	17 February 2011

3 Events Leading to Appointment

The business operations had proved unprofitable and following advice from the company's accountants the shareholder/directors concluded the company should be placed into liquidation.

Jeff Meltzer

Karen Mason

Arron Heath



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 operated a café. Its only assets were chattels associated with the café and inventories consisting of perishable foods and beverages.

Following receipt of a valuation of the chattels these were sold by private treaty

The directors advise that there are no other assets.

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 31 March 2011. 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 Flax New Zealand 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

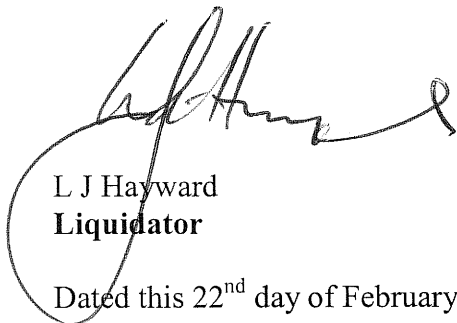
At any time during the liquidation, any creditor may in writing, request the Liquidators to call a meeting of creditors to consider whether a Liquidation Committee should be appointed, and if so, to choose the members of the Committee.

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 22nd day of February 2011

Attach:

**Estimated Statement of Affairs of
Flax New Zealand Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 17 February 2011**

	<i>Book Value</i>	<i>Estimated Realisable Value</i>
	\$	\$
Assets not Specifically Pledged:		
Cash at Bank	Nil	Nil
Debtors	Nil	Nil
Fittings and Equipment	26,000	<u>Unknown</u>
Estimated Total Assets Available for Preferential Creditors and Secured Creditors		Unknown
<i>Less</i> – First Ranking Preferential Creditors		<u>14,000</u>
Wages and Holiday Pay (Includes PAYE)		<u>Unknown</u>
<i>Less</i> – Second Ranking Preferential Creditors		
Inland Revenue Department	GST PAYE	42,605 <u>66,389</u>
		<u>108,994</u>
Estimated Total Assets Available for Secured Creditors and Unsecured Creditors		Unknown
<i>Less</i> – Secured Creditors		<u>Nil</u>
Estimated Total Deficiency as regards Secured Creditors and Unsecured Creditors		Unknown
<i>Less</i> – Unsecured Creditors		<u>16,000</u>
Total Deficiency as regards Unsecured Creditors and Shareholders		Unknown
<i>Less</i> – Issued and Paid Up Capital		<u> </u>
Total Deficiency as regards Unsecured Creditors and Shareholders		<u>Unknown</u>

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 17 February 2011.

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.

Flax New Zealand Limited (In Liquidation)
Creditors Known at Liquidation
February 2011

Creditor	Address1	Address2	Address3
Charlie's Trading Company Ltd	PO Box 12 1100	Henderson	Waitakere 0650
Apra (NZ) Ltd	PO Box 6315	Wellesley Street	Auckland 1141
Accident Compensation Corporation	PO Box 3248		Wellington
Food Safety (NZ) Ltd	PO Box 15 139	New Lynn	Waitakere 0640
Alpine Patisserie	D5-50 Keeling Rd	Henderson	Auckland 0612
Pandoro Panetteria	PO Box 5252	Wellesley Street	Auckland
Signature Security Group	PO Box 12945	Penrose	Auckland 1642
Target Advertising	124A Stout Street	Whataupoko	Gisborne
Bon Accord Products Ltd	PO Box 71072	Rosebank	Auckland 1348
Phonographic Performances (NZ) Ltd	Private Bag 78 850	Grey Lynn	Auckland 1245
Waste Management	Private Bag 14919	Panmure	Auckland 1741
Ecolab Ltd	PO Box 10-061		Hamilton
Chevalier Wholesale Produce Ltd	PO Box 19030		Auckland
Carter Holt Harvey	Private Bag 92044	Victoria St West	Auckland 1142
Carlton Henderson	PO Box 84-155	Westgate	Auckland 0657
AlSCO NZ	PO Box 8860	Symonds Street	Auckland 1150
Yellow Pages Group	PO Box 17345	Greenlane	Auckland 1546
Native Enterprise Ltd	3 Walter Street	Takapuna	Auckland
Parks Family Trust	308 Henderson Valley Road	Henderson	Auckland
Kiwi Valley Ltd	308 Henderson Valley Road	Henderson	Auckland
Telecom New Zealand Ltd	Private Bag 4742		Christchurch
Marie Stormont	3 Raroa Terrace	Waitarua	Auckland
Luka Farac	39 Border Road	Henderson	Auckland
Anita Barnett	3 Raroa Terrace	Waitarua	Auckland
Elaine Beasley	PO Box 508	Kumeu	Auckland
Julie Corr	47 Brandon Road	Glen Eden	Auckland
Carroll King	St Clair Village 159/172 McLeod Road	Te Atatu South	Auckland
Brooke Turton	16 Cochran Road	Oratia	Auckland
Inland Revenue Department	PO Box 1535		Hamilton