

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Rachel Mason

Liquidators' First Report

Lartnec Limited (In Liquidation) (formerly Merino Socks (N.Z.) Limited)

1 Appointment

We advise that Karen Betty Mason and Rachel Mason were appointed joint and several Liquidators of the above company on 20 January 2012 by special resolution of shareholders.

Karen Mason and Rachel Mason are Insolvency Specialists and full time Insolvency Practitioners. They have not previously acted in any capacity for the company or the officers and shareholders of this company. Karen Mason has previously acted as Liquidator for Merino Socks (1991) Limited (struck off 14 November 2003) and for The Sweater Manufacturing Company Limited (struck off 31 May 2008).

2 Background

<i>Date of Incorporation:</i>	21 July 1998	
<i>Trading Address:</i>	Unit B, 5 Hunters Park Drive, Three Kings, Auckland	
<i>Type of Business:</i>	Sock manufacturer	
<i>Shareholder:</i>	Reno Investments Limited	100 shares
<i>Director:</i>	Ivan Pervan	
<i>Share Capital:</i>	100 ordinary shares	
<i>Date of Liquidation:</i>	20 January 2012	

3 Events Leading to Appointment

The Director advises that low cost imports and the high exchange rate have lead to the company being unable to operate competitively in the market. As the company is not in a position to pay its debts, the decision was taken to place the company in 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.

Jeff Meltzer
Karen Mason
Arron Heath



5 Proposals for Conducting the Liquidation

5.1 *Realisation of Assets*

The Liquidators have arranged for the company's plant, machinery and stock to be valued, with the intention of selling the business. An expression of interest has been received.

The outstanding debtors will be collected.

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 24 February 2012. 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 Lartnec 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: Rachel Mason



R K Mason
Liquidator

Dated this 26th day of January 2012

Attach:

**Estimated Statement of Affairs of
Lartnec Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 20 January 2012**

	<i>Book Value</i>	<i>Estimated Realisable Value</i>
	\$	\$
Assets not Specifically Pledged (Note 1)		
Cash at Bank	1,000	1,000
Debtors	170,617	127,000
Work in Progress	1,260	Unknown
Stock on Hand	24,099	Unknown
Fittings and Equipment	27,200	Unknown
		<u>Unknown</u>
Estimated Total Assets Available for Preferential Creditors and Secured Creditors		
<i>Less – First Ranking Preferential Creditors</i>		
Wages and Holiday Pay		19,630
		<u>Unknown</u>
<i>Less – Second Ranking Preferential Creditors</i>		
<i>Inland Revenue Department (Includes some non-preferential interest and penalties, quantum not known at time of writing)</i>		
GST	83,482	
Kiwisaver	1,656	
PAYE	<u>122,465</u>	207,603
		<u>Unknown</u>
Estimated Total Assets Available for Secured Creditors and Unsecured Creditors		
<i>Less – Secured Creditors</i>		
		Nil
		<u>Unknown</u>
Estimated Total Deficiency as regards Secured Creditors and Unsecured Creditors		
<i>Less – Unsecured Creditors</i>		
		1,004,280
		<u>Unknown</u>
Total Deficiency as regards Unsecured Creditors and Shareholders		
<i>Less – Issued and Paid Up Capital</i>		
		100
		<u>Unknown</u>

Note 1: The fixed assets, stock, and work in progress are currently being valued, and the estimated realisable value is not known at the time of writing.

Note 2: 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 20 January 2012.

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.

R K Mason

20 January 2012

Lartnec Limited (In Liquidation)
Creditors Known at Liquidation
January 2012

Creditor	Address1	Address2	Address3
Inland Revenue Department	Debt Management	P O Box 761	AUCKLAND
Ivan Pervan	P O Box 56 183	Dominion Road	AUCKLAND
Reno Investments Limited	72 Dominion Road	Mt Eden	AUCKLAND