

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Karen Mason

Liquidators' First Report

Mad Plumbing Merchant Limited (In Liquidation)

1. Appointment

We advise that Jeffrey Philip Meltzer and Karen Betty Mason were appointed joint and several Liquidators of the above company on 26 May 2008 by special resolution of shareholders.

Jeff Meltzer and Karen Mason are 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>	9 May 2006
<i>Trading Address:</i>	2/24 Hobill Avenue, Manukau City
<i>Type of Business:</i>	Plumbing Retail
<i>Date Ceased Trading:</i>	23 May 2008
<i>Shareholders:</i>	Shulan Tang 60 shares Scott Edward Riley 20 shares Yan Wang 20 shares
<i>Directors:</i>	Scott Edward Riley Shulan Tang
<i>Share Capital:</i>	100 ordinary shares
<i>Date of Liquidation:</i>	26 May 2008

3. Events Leading to Appointment

The Directors advise that there were concerns regarding the trading of the company, and it was sold in March 2008. The purchasers (being Mad Plumbing Merchant 08 Limited) were not capable of running the business and consequently it was sold back to the original company in April 2008. The creditors were not paid at the time of sale and have been carried over to the company now operating and in liquidation. Given that the level of debt was not reduced, the shareholders resolved 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.

5. Proposals for Conducting the Liquidation

5.1 Realisation of Assets

- (i) Stock:
The liquidators will sell the stock by private treaty to interested parties.
- (ii) Debtors:
The debtors will be realised and any disputed debts will be passed to a debt collector.
- (iii) Assets:
The forklift, fixed assets, office equipment and motor vehicle will be sold at auction.
- (iv) Ford Mondeo:
This vehicle is subject to a lease agreement and there is no equity available to the liquidators.

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 30 June 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 Mad Plumbing Merchant 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: Karen Mason

K B Mason
Liquidator

Dated this 29th day of May 2008

**Estimated Statement of Affairs of
Mad Plumbing Merchant Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 26 May 2008**

			<i>Estimated Realisable Value</i> \$
Assets not Specifically Pledged:			
Stock			40,000
Debtors			41,500
Bank			9,000
Forklift and fixed assets			9,500
Motor Vehicle			4,000
	<i>Estimated to Realise</i>	<i>Owed to Secured Creditor</i>	104,000
 Assets Specifically Pledged:			
Ford Mondeo	10,000	10,000	-
Estimated Total Assets Available for Preferential Creditors and Secured Creditors			104,000
<i>Less – First Ranking Preferential Creditors</i>			
Wages and Holiday Pay (Includes PAYE)			6,510
			97,490
<i>Less – Second Ranking Preferential Creditors</i>			
Inland Revenue Department	GST	5,000	
	PAYE	1,500	6,500
Estimated Total Assets Available for Secured Creditors and Unsecured Creditors			90,990
<i>Less – Secured Creditors</i>			
Estimated Total Deficiency as regards Unsecured Creditors and Shareholders			Nil
<i>Less – Unsecured Creditors</i>			
	Trade	159,100	
	Shareholders	295,000	454,100
Total Deficiency as regards Unsecured Creditors and Shareholders			363,110
<i>Less – Issued and Paid Up Capital</i>			
Total Deficiency as regards Unsecured Creditors and Shareholders			100
Total Deficiency as regards Unsecured Creditors and Shareholders			363,210

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 26 May 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.

K B Mason
Liquidator

26 May 2008