

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Arron Heath or Rachel Mason

Liquidators' First Report

Redhill Development (NZ) Limited (In Liquidation)

1. Appointment

We advise that Karen Betty Mason and Arron Leslie Heath were appointed joint and several Liquidators of the above company on 2 December 2009 by special resolution of shareholders.

Karen Mason and Arron Heath 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>	30 September 2004
<i>Trading Address:</i>	2 Kerrs Road, Manukau City, Auckland
<i>Type of Business:</i>	Property Development
<i>Date Ceased Trading:</i>	31 July 2008
<i>Shareholder:</i>	Sonsram Development Holdings Limited 100 shares
<i>Director:</i>	Arjun Sami
<i>Share Capital:</i>	100 ordinary shares
<i>Date of Liquidation:</i>	2 December 2009

3. Events Leading to Appointment

The Director advises “the development contract was unexpectedly increased by way of variations and certifications, thus all expected profits were eroded. In addition to this, the property market has been in decline in the last two years, and values have fallen by up to 40% in certain parts of New Zealand.

“Sales were greatly affected by way of purchasers failing to settle and the company was unable to achieve new sales. This combined with the global financial crisis, finance has been scarce and whatever has been available comes at exorbitant rates.



“The company was able to sell the remaining sections above market valuation, and fully repay the secured creditors.

“All trading stopped at the end of July 2008. However, there has been on-going litigation for an additional payment claim, which the company has attempted to defend. As a result, the company has no ability to pay its unsecured creditors.

The Director has therefore decided to place the company in liquidation, as it has no ability to recommence trading.

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 Liquidators will collect the taxation refunds due.

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 January 2010. 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 Redhill Development (NZ) 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: Arron Heath or Rachel Mason

A L Heath
Liquidator

Dated this 7th day of December 2009

Attach:

**Estimated Statement of Affairs of
Redhill Development (NZ) Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 2 December 2009**

		<i>Estimated Realisable Value \$</i>
Assets not Specifically Pledged:		
Taxation Refunds		8,026
Estimated Total Assets Available for Preferential Creditors and Secured Creditors		<u>8,026</u>
<i>Less</i> – First Ranking Preferential Creditors		
Wages and Holiday Pay (Includes PAYE)		NIL
		<u>8,026</u>
<i>Less</i> – Second Ranking Preferential Creditors		
Inland Revenue Department	GST	3,371,899
	PAYE	<u>NIL</u>
		3,371,899
Estimated Total Deficiency as regards Secured Creditors and Unsecured Creditors		<u>3,363,873</u>
<i>Less</i> – Secured Creditors		NIL
Estimated Total Deficiency as regards Secured Creditors and Unsecured Creditors		<u>3,363,873</u>
<i>Less</i> – Unsecured Creditors		<u>2,388,063</u>
Total Deficiency as regards Unsecured Creditors and Shareholders		<u>5,751,936</u>
<i>Less</i> – Issued and Paid Up Capital		100
Total Deficiency as regards Unsecured Creditors and Shareholders		<u><u>5,752,036</u></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 2 December 2009.

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.

Redhill Developments Limited (In Liquidation)
Creditors Known at Liquidation
December 2009

Creditor	Address1	Address2	Address3
Patel Nand Legal	P.O Box 26-717	Epsom	Auckland
Oswin&Griffiths - DFK Limited	P.O Box 6077	Wellesley Street	Auckland
NCompass MinterEllisonRuddWatts Lawyers	P.O. Box 340-111	Birkenhead	Auckland Auckland
Coffey Geotechnics	P.O Box 9924	Newmarket	Auckland 1141
Harrison Grierson SD Homes & Projects	P.O. Box 5760	Wellesley Street	Auckland
Food World Supermarket	P.O Box 43-115 19 Robert Ross Place	Mangere Town Centre, Mangere Clendon Park, Manurewa	Auckland Auckland
Crewcut Corporate		Wellesley St	Auckland 1141
B.N.P Building Services	P O Box 6037		Auckland
Kripa Holdings Ltd	P.O Box 26-717	Epsom	Auckland