

# Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Mike Lamacraft

## Liquidators' First Report

### S B Properties Limited (In Liquidation)

#### 1. Appointment

We advise that Arron Leslie Heath and Michael Lamacraft were appointed joint and several Liquidators of the above company on 31 July 2007 by special resolution of shareholders.

Arron Heath and Mike Lamacraft 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>	2 November 2000	
<i>Trading Address:</i>	C/- 26 Hobson Street, Auckland	
<i>Type of Business:</i>	Property Developer	
<i>Date Ceased Trading:</i>	31 July 2007	
<i>Shareholder:</i>	Hugh Gerard Mullane	1,000 shares
<i>Director:</i>	Hugh Gerard Mullane	
<i>Share Capital:</i>	1,000 ordinary shares	
<i>Date of Liquidation:</i>	31 July 2007	

#### 3. Events Leading to Appointment

We are advised that as a result of huge cost overruns and time delays on a project the company was unable to meet its obligations to creditors. This was despite the fact that better than forecast sale prices were achieved. A statutory demand could not be satisfied and ultimately the only course open to the director was to place the company 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 unit owned by the company in liquidation will be valued and sold by private treaty or at auction.

Every effort will be made to maximise the recovery from debtors.

### **5.2 Investigations**

The Liquidators will conduct an initial review of the trading affairs of the company.

### **5.3 General**

We are advised that the company in liquidation has commenced legal proceedings against a third party for approximately \$1.5 million in respect of the cost overruns in the project referred to above. Subject to legal advice this action will be continued. The director advises that the company in liquidation's case is very strong. Clearly a successful outcome would enable all creditors to be paid in full.

## **6. Creditors Claim Form**

Creditors should complete and return the attached Creditor's claim form by 31 August 2007. Creditors who do not make a claim within the period may be excluded from any distribution that may be made.

## **7. 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 S B Properties Limited (In Liquidation), and you have not yet contacted the Liquidators, please contact us immediately.

## **8. Initial Creditors Meeting**

To keep the costs of liquidation to a minimum, 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.

## **9. 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.

**10. 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: Mike Lamacraft

M Lamacraft  
**Liquidator**

Dated this 3<sup>rd</sup> day of August 2007

Attach:

**Estimated Statement of Affairs of  
S B Properties Limited (In Liquidation)  
As at the date of the Appointment of Liquidators  
Being 31 July 2007**

	<i>Estimated Realisable Value \$</i>
<b>Assets not Specifically Pledged:</b>	
Unit (subject to valuation)	12,000
Debtors	145,000
Related company debts (subject to review)	-
Legal proceedings (see comments in Report Section 5.3)	Not Known
<b>Estimated Total Assets Available for Preferential Creditor</b>	157,000
Preferential Creditor	
Inland Revenue Department - GST	(248,500)
<b>Estimated Shortfall as regards Preferential Creditor</b>	(91,500)
Unsecured Creditors (2)	(460,000)
<b>Estimated Total Deficiency as regards Unsecured Creditors</b>	(551,500)
Issued and Paid Up Capital	(1,000)
<b>Total Deficiency as regards Unsecured Creditors and Shareholders</b>	(552,500)

**Note:** (1) The above estimates are subject to the costs of realisation, including Liquidators' fees.  
(2) Certain creditor claims are subject to dispute.

**Disclaimer of Liability:**

We have prepared the Estimated Statement of Affairs as at the date of liquidation being 31 July 2007.

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.