

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Karen Mason

Liquidators' First Report

Tapanui Holdings Limited (In Liquidation)

1. Appointment

We advise that Karen Betty Mason and Jeffrey Philip Meltzer were appointed joint and several Liquidators of the above company on 28 October 2005 by special resolution of shareholders.

Karen Mason and Jeff Meltzer 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>	21 April 1989	
<i>Type of Business:</i>	Property Development	
<i>Date Ceased Trading:</i>	28 October 2005	
<i>Shareholder:</i>	Timothy Henry Lichtenstein	100 shares
<i>Director:</i>	Timothy Henry Lichtenstein	
<i>Share Capital:</i>	100 ordinary shares	
<i>Date of Liquidation:</i>	28 October 2005	

3. Events Leading to Appointment

The director advises "that the decision to place the company in liquidation arose due to higher construction costs, and lower than expected sales prices of the properties".

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 has one property remaining for which there is an agreement for sale and purchase. The Liquidators will review the sale process to ensure fair value will be paid before the agreement is ratified.

5.2 Investigations

The Liquidators will review the company's books and records, conduct an initial investigation into the trading affairs of the company and conduct all other investigations that the Liquidators are charged to do.

6. Creditors Claim Form

Creditors should complete and return the attached Creditor's claim form by 30 November 2005. 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 Tapanui Holdings Limited (In Liquidation), and you have not yet contacted the Liquidators, please contact us immediately.

8. 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.

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: Karen Mason

K B Mason
Liquidator

Dated this 1st day of November 2005

Attach:

**Estimated Statement of Affairs of
Tapanui Holdings Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 28 October 2005**

	<i>Estimated to Realise</i>	<i>Owed to Secured Creditor</i>	<i>Estimated Realisable Value \$</i>
Assets Specifically Pledged:			
Property Secured by Mortgage	1,215,000	1,465,000	<u>(250,000)</u>
Estimated Total Assets Available for Preferential Creditors and Secured Creditors			<u>(250,000)</u>
<i>Less</i> – First Ranking Preferential Creditors			Nil
Wages and Holiday Pay (Includes PAYE)			<u>(250,000)</u>
<i>Less</i> – Second Ranking Preferential Creditors			
Inland Revenue Department – GST			<u>(475,000)</u>
Estimated Total Assets Available for Secured Creditors and Unsecured Creditors			<u>(725,000)</u>
<i>Less</i> – Secured Creditors			Nil
Estimated Total Deficiency as regards Unsecured Creditors and Shareholders			<u>(725,000)</u>
<i>Less</i> – Unsecured Creditors			
- Trade		83,614	
- Advances		<u>455,500</u>	
			<u>(539,114)</u>
Total Deficiency as regards Unsecured Creditors and Shareholders			<u>(1,264,114)</u>
<i>Less</i> – Issued and Paid Up Capital			<u>(100)</u>
Total Deficiency as regards Unsecured Creditors and Shareholders			<u><u>(1,264,214)</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 28 October 2005.

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

1 November 2005