

# Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

## Liquidators' First Report

### Wensley Developments The Club Limited (In Liquidation)

#### 1. Appointment

We advise that Jeffrey Philip Meltzer and Lloyd James Hayward were appointed joint and several Liquidators of the above company on 11 November 2008 by special resolution of shareholders.

Jeffrey Philip Meltzer and Lloyd James Hayward are Chartered Accountants and full time Insolvency Practitioners. Prior to the Liquidation Meltzer Mason Heath assisted the shareholders of the company by giving advice regarding the solvency of the company and in negotiations conducted by the directors with creditors. Other than this assistance provided to the shareholders the Liquidators have not previously acted in any capacity for the company or the officers and shareholders of the company.

The Liquidators believe they have complied with s280 of the Companies Act 1993 and have signed Consents to Act to that effect.

#### 2. Background

<i>Date of Incorporation:</i>	2 September 2003
<i>Trading Address:</i>	171-183 Frankton Road, Queenstown
<i>Type of Business:</i>	Property Development
<i>Date Ceased Trading:</i>	23 October 2008
<i>Shareholders:</i>	Wensley Developments Limited      1,000 shares
<i>Director:</i>	Ross McGregor Wensley
<i>Share Capital:</i>	1,000 ordinary shares
<i>Date of Liquidation:</i>	11 November 2008



### **3. Events Leading to Appointment**

The directors advise that the financial position of this company was particularly and adversely affected by the well publicised effect of the credit crunch and its affects on property values. The affect of this resulted in one of the company's secured lenders confidence diminishing to the extent that a restructure of the assets and secured debt due to all secured lenders was required by the secured lenders. This restructure included the sale of all completed but unsold apartments at The Club resort to another entity associated with the shareholders and directors of the company. This transaction occurred in November 2008. The sale price completed at values established by an independent valuation.

Following the restructure the company may not be able meet all its debts and the directors advised the shareholders 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 directors advise that the only assets of the company is a third party secured debt due by the purchaser of the unsold apartment stock and prepaid Company Tax. The secured debt will be collected in accordance with the terms and conditions of the sale and purchase and related agreements. The eventual realisation of this debt will depend on the sales values achieved when the apartment stock is sold. The prepaid Company Tax is likely to be applied to any income tax liability.

#### ***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 19 December 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 Wensley Developments The Club 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: Lloyd Hayward

L J Hayward  
**Liquidator**

Dated this 13<sup>th</sup> day of November 2008

Attach:

**Estimated Statement of Affairs of  
Wensley Developments The Club Limited (In Liquidation)  
As at the date of the Appointment of Liquidators  
Being 11 November 2008**

	<i>Book Value</i>	<i>Estimated Realisable Value</i>
	\$	\$
<b>Assets not Specifically Pledged:</b>		
Cash at Bank		
Debtors – Secured, Third ranking	8,674,759	UNKNOWN
<b>Estimated Total Assets Available for Preferential Creditors and Secured Creditors</b>		<u>UNKNOWN</u>
<i>Less – First Ranking Preferential Creditors</i>		
Wages and Holiday Pay (Includes PAYE)		<u>NIL</u>
<i>Less – Second Ranking Preferential Creditors</i>		
Inland Revenue Department	GST PAYE <u>3,599,484</u>	
		<u>3,599,484</u>
<b>Estimated Total Assets Available for Secured Creditors and Unsecured Creditors</b>		UNKNOWN
<i>Less – Secured Creditors</i>		
		<u>NIL</u>
<b>Estimated Total Deficiency as regards Secured Creditors and Unsecured Creditors</b>		UNKNOWN
<i>Less – Unsecured Creditors</i>		
		<u>1,062,608</u>
<b>Total Deficiency as regards Unsecured Creditors and Shareholders</b>		UNKNOWN
<i>Less – Issued and Paid Up Capital</i>		
		<u>1,000</u>
<b>Total Deficiency as regards Unsecured Creditors and Shareholders</b>		<u>UNKNOWN</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 11 November 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.

**Wensley Developments The Club Limited (In Liquidation)**  
**Creditors List**  
**November 2008**

<b>Company</b>	<b>Address1</b>	<b>Address2</b>	<b>City</b>
Duncan Cotterill	PO Box 5	DX WP 20314	CHRISTCHURC H
McCulloch & Partners	PO Box 844		INVERCARGILL

**Notice to Registrar**

**No. of Company: 1388063**

**Companies Act 1993**

**Notice of Appointment of Liquidators  
Pursuant to Section 255 (2)(b)**

**Name of Company:           Wensley Developments The Club Limited (In Liquidation)**

**Presented by:**           Meltzer Mason Heath  
Chartered Accountants  
P O Box 6302  
Wellesley Street  
AUCKLAND 1141

**To the Registrar of Companies:**

We, Jeffrey Philip Meltzer and Lloyd James Hayward, give you notice that we were appointed joint and several Liquidators of Wensley Developments The Club Limited (In Liquidation) on 11 November 2008 at 4.02pm by the shareholders.

Dated this 11<sup>th</sup> day of November 2008

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L J Hayward  
**Liquidator**

*Address of Liquidators:*

Meltzer Mason Heath, Chartered Accountants, P O Box 6302, Wellesley Street, Auckland 1141. Telephone (09) 357 6150. Facsimile: (09) 357 6152