

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

No. of Company: 1388063

Liquidators' Further Report

Wensley Developments The Club Limited (In Liquidation)

For the period to 11 April 2009

Introduction

Wensley Developments The Club Limited ("the Company") was placed into voluntary liquidation in Auckland on 11 November 2008 and Jeffrey Philip Meltzer and Lloyd James Hayward were appointed joint and several Liquidators.

In accordance with section 255 of the Companies Act 1993 the Liquidators are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six months. This report covers the period to 11 April 2009

Schedule of Receipts and Payments

There have been no receipts and no payments during the period.

Asset Realisations

Our first report noted that the only asset of the company is a third party secured debt due by the purchaser of the unsold apartment stock and prepaid Company Tax. We also reported that a 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 October 2008. The sale price completed at values established by an independent valuation.

The associated party debt is not repayable until secured debt due to mortgagees of the associated company is paid in full. The eventual realisation of the debt due to the Company debt will depend on the sales values achieved when the apartment stock is sold.

The prepaid Company Tax is likely to be applied by the IRD to any tax liability.

Dividends

No dividends have been paid to any creditor.

Liquidators' Investigations

The Liquidators have reviewed the transactions whereby the unsold apartment stock was sold prior to liquidation to an associated party. The sales were made at a value established by an independent valuer. There does not appear to be any element of sale at undervalue.

Jeff Meltzer
by an
Karen Mason
Arron Heath



Outstanding Matters

The Liquidators await the sale of all of the Club apartment stock. At that time an assessment can be made of the recovery of debt from the associated company.

Please contact Lloyd Hayward of this office should you require any further information.

Dated this 12th day of May 2009

L J Hayward
Liquidator