

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

Liquidators' First Report

Wensley Developments The Shore Limited (In Liquidation)

1. Appointment

We advise that Jeffrey Philip Meltzer and Rachel Karen Mason were appointed joint and several Liquidators of the above company on 2 September 2009 by order of the High Court in Auckland.

Jeff Meltzer and Rachel Mason are full time Insolvency Practitioners. Prior to 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 the Liquidators 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>	23 December 2002
<i>Trading Address:</i>	5 The Crescent, Invercargill
<i>Type of Business:</i>	Property Development
<i>Date Ceased Trading:</i>	2 September 2009
<i>Shareholders:</i>	Wensley Group Limited 1,000 shares
<i>Directors:</i>	Julie Raewyn Wensley Jack Greg Ross Keown Wensley Ross Mcgregor Wensley
<i>Share Capital:</i>	1,000 ordinary shares
<i>Date of Liquidation:</i>	2 September 2009

3. Events Leading to Appointment

The company developed an apartment complex of 28 apartments. These were completed and the 21 presales due for settlement. Only 1 contract settled. This can be attributed to the "credit crunch" and the declining values of property in Queenstown. The company defaulted on lending to secured lenders. The company was attempting to manage its debt exposure and unsecured creditors however an aggrieved rental guarantee creditor applied to the Court for the company to be placed 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 assets and the liquidators realisation expectations are as follows:

- (a) Apartments – all apartments remaining unsold are subject to a claim by the secured lender. Present values of apartments in the Queenstown market suggest they will not realise sufficient to clear the secured debt. The secured lender is likely to take control of this asset and undertake any realisation.
- (b) Trade Debtors - Trade debt totals \$227,134. This debt will be collected in accordance with the terms and conditions on which it was incurred. The company advises that all debt may not be collectable. Some debt has already been passed to collection agents for recovery.

5.2 Investigations

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 12 October 2009. 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 Interest

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 Shore 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

R K Mason
Liquidator

Dated this 11th day of September 2009

Attach:

**Estimated Statement of Affairs of
Wensley Developments The Shore Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 2 September 2009**

		<i>Book Value</i>	<i>Estimated Realisable Value</i>
		\$	\$
Assets not Specifically Pledged:			
Debtors		227,134	Unknown
Plant and Machinery)		16,931	Unknown
Office Equipment)			
	<i>Estimated to Realise</i>	<i>Owed to Secured Creditor</i>	<u>Unknown</u>
Assets Specifically Pledged:			
Real estate -unsettled unconditional sales	5,600,000	6,926,731	<u>Unknown</u>
Estimated Total Assets Available for Preferential Creditors and Secured Creditors			
<i>Less</i> – First Ranking Preferential Creditors			Unknown
Wages and Holiday Pay (Includes PAYE)			<u>30,043</u>
			Unknown
<i>Less</i> – Second Ranking Preferential Creditors			
Inland Revenue Department - GST			<u>Nil</u>
Estimated Total Assets Available for Secured Creditors and Unsecured Creditors			
<i>Less</i> – Secured Creditors			Unknown
			<u>-</u>
Estimated Total Deficiency as regards Unsecured Creditors and Shareholders			
<i>Less</i> – Unsecured Creditors			Unknown
Trade Creditors		331,224	
Inter-company		4,496,802	
Retentions Held		<u>40,242</u>	
			<u>4,164,342</u>
Total Deficiency as regards Unsecured Creditors and Shareholders			
<i>Less</i> – Issued and Paid Up Capital			<u>1,000</u>
Total Deficiency as regards Unsecured Creditors and Shareholders			
			<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 2 September 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.

R K Mason
Liquidator

2 September 2009

Wensley Developments The Shore Limited (In Liquidation)
Creditors Known at Liquidation
September 2009

Company	Address1	Address2	City
A F & F Roebuck	24 Besford Court Estate, Besford	Worcestershire WR8 9LZ	UNITED KINGDOM
Auckland Property Management Limited	PO Box 28 510	Remuera	AUCKLAND
Carey's Boatyard	PO Box 275		PICTON
Crombie Lockwood	PO Box 34		INVERCARGILL
DL & BA Burkhart Family Trust	PO Box 40	Ward 7248	MARLBOROUGH
IRD	Private Bag		DUNEDIN
J J Sapphires	P O Box 172	Kaeo 0448	NEW ZEALAND
McCulloch & Partners	PO Box 844		INVERCARGILL
Patricia Shi Ltd	3-141 Portland Road	Remuera	AUCKLAND
Preston Russell Law	PO Box 355		INVERCARGILL
Queenstown Lakes District Council	Private Bag 9348		QUEENSTOWN
Rosella Trust	108 Lennon Access Road	Silverdale	AUCKLAND
Stephen & Viven Parr-Burman	15 Lockwood Avenue	Poulton Le Fylde, Lancashire FY6 7AB	UNITED KINGDOM
Wayne & Esme Bowen	152 West Coast Terrace	Trigg, WA6029	AUSTRALIA