

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

Liquidators' First Report

Wensley Developments The Beacon 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 21 July 2009 by special resolution of shareholders.

Jeff Meltzer and Lloyd Hayward are Chartered Accountants and 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>	20 May 2002
<i>Trading Address:</i>	5 The Crescent, Invercargill
<i>Type of Business:</i>	Property Developer
<i>Date Ceased Trading:</i>	21 July 2009
<i>Shareholders:</i>	Wensley Developments Limited 1,000 shares
<i>Directors:</i>	Ross Mcgregor Wensley
<i>Share Capital:</i>	1,000 ordinary shares
<i>Date of Liquidation:</i>	21 July 2009

3. Events Leading to Appointment

The company was the developer of an apartment complex in Queenstown. The main factors that the director advises are reasons for the failure are:

- (a) The Queenstown apartment market has seen a dramatic reduction in sale prices achieved. This has been attributed to the credit crunch.
 - (b) The secured lender has required that all of the proceeds of sale be applied to the secured debt.
 - (c) A purchaser enjoying vendor loan finance has defaulted
- These factors resulted in the company not being able to meet all its liabilities and the director concluded that the company should 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 of the company consist of debts due and receivable and freehold apartments at The Beacon.

The debts due will be pursued in accordance with the terms and conditions on which the advances were made.

The freehold apartments are subject to security interests of a secured lender. Any sale process will be subject to agreement by the secured lender.

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 3 September 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 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 Beacon 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 4th day of August 2009

Attach:

**Estimated Statement of Affairs of
Wensley Developments The Beacon Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 21 July 2009**

	<i>Book Value</i>	<i>Estimated Realisable Value</i>
	\$	\$
Assets not Specifically Pledged:		
Debtors	333,127	<u>Unknown</u>
	<i>Book Value</i>	<i>Owed to Secured Creditor</i>
Assets Specifically Pledged:		
Freehold Real Property	368,705	<u>Nil</u>
Estimated Total Assets Available for Preferential Creditors and Secured Creditors		Unknown
<i>Less</i> – First Ranking Preferential Creditors		
Wages and Holiday Pay (Includes PAYE)		<u>Nil</u>
<i>Less</i> – Second Ranking Preferential Creditors		
Inland Revenue Department – GST & PAYE		<u>350,000</u>
Estimated Total Assets Available for Secured Creditors and Unsecured Creditors		Unknown
<i>Less</i> – Secured Creditors		<u>Nil</u>
Estimated Total Deficiency as regards Unsecured Creditors and Shareholders		Unknown
<i>Less</i> – Unsecured Creditors		<u>610,418</u>
Total Deficiency as regards Unsecured Creditors and Shareholders		Unknown
<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 21 July 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.

L J Hayward
Liquidator

21 July 2009

Wensley Developments The Beacon Limited (In Liquidation)
Creditors Known at Liquidation
July 2009

Company	12. Address1	Address2	City
Duncan Cotterill	PO Box 5	DX WP 20314	CHRISTCHURCH
McCulloch & Partners	PO Box 844		INVERCARGILL
CH Faul / Advantage Limited	PO Box 757		QUEENSTOWN
IRD	Private Bag		DUNEDIN
Nind Electrical	120 Otepuni Ave		INVERCARGILL 9812
Queenstown Lakes District Council	Private Bag 9348		QUEENSTOWN
Trust Power	Private Bag 12023	Tauranga Mail Centre	TAURANGA
JM & JK Chappell – Beacon Body Corp	PO Box 614		QUEENSTOWN
Looi Teck Kheong	c/o McCulloch and Partners	PO Box 844	INVERCARGILL
Otago Regional Council	PO Box 112		DUNEDIN 9054
Rockgas	PO Box 7195	Sydenham	CHRISTCHURCCH 8240