

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Mike Lamacraft

Liquidators' Final Report

Section 257 (1) of the Companies Act 1993

Westside (2009) Limited (In Liquidation)

Westside (2009) Limited was placed in liquidation by a Resolution of Members dated 24 November 2009.

Arron Leslie Heath and Michael Lamacraft were appointed Liquidators of the company.

The liquidation of the company is now complete. A Statement of Realisations and Distributions is attached. All amounts are shown on a GST exclusive basis.

The Liquidators report to the Creditors that:

1. Debtors realised \$633,406.28 against the initial estimate of \$700,000. The difference being the result of bad or doubtful debts or set offs.
2. Stock was sold by private treaty based on an independent assessment.
3. Work in progress was found to be minimal and potentially loss making.

Creditors

Employee preferential claims totalling \$156,679.34 including tax were paid in full.

The IRD received a total of \$448,000 in reduction of its preferential claim.

Liquidators' Investigations

The Liquidators' review of the company's affairs and the conduct of the directors is complete. No matters have been identified that would be economic to pursue.

As previously reported, having regard to the age of the Crown debt our current view is that the company has been insolvent since the second half of 2008. However in mitigation the directors or

Jeff Meltzer

Karen Mason

Arron Heath



interest associated with the directors did invest further sums and were trying to negotiate a repayment plan/restructuring program. Consequently as regards trade creditors 98% of sums owed were incurred 4 months or less before liquidation. As a result of personal guarantees given to the bank the directors have sold their home to repay a shortfall to the bank of approximately \$250,000 from the company debt. In essence the directors/their interests will ultimately be the largest creditor of the company in liquidation. This is a matter the Court will take into consideration in the event that reckless trading was proven. The commercial reality is that the cost of pursuing such an action, assuming it was appropriate, would be very high and funding would have to be provided by unsecured creditors.

In the circumstances given the cost and litigation risk this is not a viable proposal.

All known assets of the company have been realised.

All proceeds of realisation have been distributed and the company is now ready to be removed from the register.

General Comments

The Liquidators will now advertise Notice of Intention to have the company removed from the register as per section 318 of the Companies Act 1993. The advertisement will appear in the New Zealand Gazette and The New Zealand Herald.

The attention of all creditors or shareholders is drawn to section 321 of the Companies Act 1993 which provides that where public notice is given of an intention to remove a company from the register any person may send or deliver to the Registrar, not later than the date specified in the notice, an objection to the removal on any one or more of the following grounds:

- (a) That the company is still carrying on business or there is other reason for it to continue in existence; or
- (b) That the company is a party to legal proceedings; or
- (c) That the company is in receivership, or liquidation, or both; or
- (d) That the person is a creditor, or a member, or a person who has an undischarged claim against the company; or
- (e) That the person believes that there exists, and intends to pursue, a right of action on behalf of the company under Part IX of the Companies Act 1993; or
- (f) That for any reason, it would not be just and equitable to remove the company from the Register.

Note: Section 321(2) of the Companies Act 1993 provides that a claim by a creditor against a company is not an "undischarged claim" if the claim has been paid in full or in part by a receiver or liquidator in the course of a completed receivership or liquidation.

This report constitutes such notice.

The date by which objection must be lodged with the Registrar is 15 July 2011.

Dated at Auckland this 20th day of May 2011.



M Lamacraft
Liquidator

**Statement pursuant to s257 of the Companies Act 1993
of Realisations and Distributions in the Liquidation of
Westside (2009) Limited (In Liquidation)**

<i>Particulars of Realisation</i>	\$
Debtors	633,406.28
Stock	4,989.40
Interest	1,709.55
GST	5,248.07
Total Realisations	<u><u>645,353.30</u></u>

<i>Particulars of Distribution</i>	\$
Liquidators' Remuneration	32,288.00
Liquidators' Disbursements	1,462.95
Professional Fees (Tax Advice)	134.00
Bank Fee	31.75
Mailing Costs	1,456.10
Employee Preferential Claims (Gross)	156,679.34
IRD Preferential Claim	448,000.00
GST	5,301.16
Total Distributions	<u><u>645,353.30</u></u>