

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

Liquidators' First Report

Westside Development Limited (In Liquidation)

1. Appointment

We advise that Jeffrey Philip Meltzer and Karen Betty Mason were appointed joint and several Liquidators of the above company on 23 June 2004 by special resolution of shareholders.

Jeff Meltzer and Karen Mason are 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>	12 June 1996
<i>Trading Address:</i>	68 Muriwai Road, Waimauku, Auckland
<i>Type of Business:</i>	Residential Construction
<i>Date Ceased Trading:</i>	23 June 2004
<i>Shareholders:</i>	Steven Gordon Savery 100 shares
<i>Directors:</i>	Stephen Gordon Savery
<i>Share Capital:</i>	100 ordinary shares of \$1.00 each
<i>Date of Liquidation:</i>	23 June 2004

3. Events Leading to Appointment

The company advises that the competitive market in which it operated led to reduced margins. This together with cost over-runs on projects led to trading losses being incurred.

The director assessed the position and concluded that the business was not viable and should cease trading. To maximise the return to creditors work in progress was completed in a timely manner to allow the completion of these homes and collection of the full contract price from the owner. At the completion of this the company was placed into liquidation.



4. Statement of Affairs

The Liquidators have prepared a 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 primary assets of the company are debtors in relation to completed construction projects and work in progress. Work in progress is very near completion and the liquidators have retained project manager to assist in the completion of the work in progress and realise full value for this. Costs to complete will be met from the value of work in progress realised.

Debts due to the company will be collected in the accordance with the terms and conditions of the contract. Any unpaid debt will be referred to a collection agent.

5.2 Investigations

The Liquidators will review the company's books and records, conduct an initial investigation into the trading affairs of the company and conduct all other investigations that the Liquidators are charged to do.

6. Creditors Claim Form

Creditors should complete and return the attached Creditor's claim form by 23 July 2004. Creditors who do not make a claim within the period may be excluded from any distribution that may be made.

7. 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 Westside Development Limited (In Liquidation), and you have not yet contacted the Liquidators, please contact us immediately.

8. Initial Creditors Meeting

Pursuant to s245 of the Companies Act 1993 a liquidator is not required to hold a meeting of creditors. The Liquidators therefore 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.

9. 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.

10. 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

K B Mason
Liquidator

Dated this 28th day of June 2004

Attach:

**Statement of Affairs of
Westside Development Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 23 June 2004**

	<i>Book Value</i>	<i>Estimated Realisable Value</i>
	\$	\$
Assets not Specifically Pledged:		
Cash at Bank	60	60
Debtors	82,867	61,000
Work in Progress	98,561	60,000
Estimated Total Assets Available for Preferential Creditors and Secured Creditors		121,060
<i>Less</i> – First Ranking Preferential Creditors		
Wages and Holiday Pay (Includes PAYE) - estimate		Nil
		121,060
<i>Less</i> – Second Ranking Preferential Creditors		
Inland Revenue Department - estimate	GST PAYE	
	4,017 5,376	
		9,393
Estimated Total Assets Available for Secured Creditors and Unsecured Creditors		111,667
<i>Less</i> – Secured Creditors		
First Debenture		Nil
Estimated Total Deficiency as regards Secured Creditors and Unsecured Creditors		111,667
<i>Less</i> – Unsecured Creditors		361,000
Total Deficiency as regards Unsecured Creditors and Shareholders		249,333
<i>Less</i> – Issued and Paid Up Capital		100
Total Deficiency as regards Unsecured Creditors and Shareholders		249,433

Note: The above estimates are subject to the costs of realisation, including Liquidators' fees.

Disclaimer of Liability:

We have compiled the Statement of Affairs as at the date of Liquidation being 23 June 2004.

A compilation is limited to the collection, classification and summarisation of the books and records of the company together with information supplied by the Directors. A compilation does not involve the verification of that information. We have not carried out an audit or reviewed the information supplied and therefore we do not accept any responsibility for the accuracy of the information from which the Statement of Affairs has been prepared. Further, the Statement of Affairs has been prepared for the purpose of the liquidation only, and we do not accept any responsibility on any ground whatever, including liability in negligence, to any other person.