

# Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Karen Mason

## Liquidators' First Report

### 623 Rocks Road Limited (In Liquidation)

#### 1. Appointment

We advise that Karen Betty Mason and Jeffrey Philip Meltzer were appointed joint and several Liquidators of the above company on 25 March 2009 by special resolution of shareholders.

Karen Mason and Jeff Meltzer 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>	20 May 2004
<i>Trading Address:</i>	623 Rocks Road, Nelson
<i>Type of Business:</i>	Property Developer
<i>Date Ceased Trading:</i>	September 2008
<i>Shareholder:</i>	Robert Archibald Hayward Donald 100 shares
<i>Director:</i>	Robert Archibald Hayward Donald
<i>Share Capital:</i>	100 ordinary shares
<i>Date of Liquidation:</i>	25 March 2009

#### 3. Events Leading to Appointment

The company undertook the development of twelve shops and 41 apartments in Nelson. As a result in the decline in the housing market, the sales only realised 68% of the original valuations, leaving a shortfall to the mortgagee. On that basis, the shareholder resolved to wind up the company.

#### 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***

There are four remaining retail units in the name of the company that are unsold. The mortgagee has acquired Power of Sale for the sale of these properties in partial satisfaction of the funds owed by the company.

### **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 not been compiled by the Liquidators, as there is one contingent creditor only whose debt has not yet been quantified by the Court. There are no other known creditors.

## **7. Creditors Claim Form**

Creditors should complete and return the attached Creditor's claim form by 27 April 2009. Creditors who do not make a claim within the period may be excluded from any distribution that may be made.

## **8. 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.

## **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: Karen Mason

K B Mason  
**Liquidator**

Dated this 26<sup>th</sup> day of April 2009

Attach:

**Estimated Statement of Affairs of  
623 Rocks Road Limited (In Liquidation)  
As at the date of the Appointment of Liquidators  
Being 25 March 2009**

	<i>Book Value</i>	<i>Estimated Realisable Value</i>
	\$	\$
<b>Assets not Specifically Pledged:</b>		NIL
	<i>Estimated to Realise</i>	<i>Owed to Secured Creditor</i>
		<u>NIL</u>
<b>Assets Specifically Pledged:</b>		
Property	450,000	18,837,000
<b>Estimated Total Deficiency for Preferential Creditors and Secured Creditors</b>		<u>18,387,000</u>
<i>Less</i> – First Ranking Preferential Creditors		
Wages and Holiday Pay (Includes PAYE)		<u>NIL</u>
		<u>18,387,000</u>
<i>Less</i> – Second Ranking Preferential Creditors		
Inland Revenue Department - GST		<u>656,000</u>
<b>Total Assets Deficiency for Secured Creditors and Unsecured Creditors</b>		19,043,000
<i>Less</i> – Unsecured Creditors (see Note 2 below)		<u>750,000</u>
<b>Total Deficiency as regards Unsecured Creditors and Shareholders</b>		19,793,000
<i>Less</i> – Issued and Paid Up Capital		<u>100</u>
<b>Total Deficiency as regards Unsecured Creditors and Shareholders</b>		<u><u>19,793,100</u></u>

- Notes:** 1. The above estimates are subject to the costs of realisation, including Liquidators' fees.  
2. There is a contingent liability not yet quantified by Court Judgement and is an estimate only.

**Disclaimer of Liability:**

We have prepared the Estimated Statement of Affairs as at the date of liquidation being 25 March 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.

K B Mason  
**Liquidator**

25 March 2009