

GERARD HULST & ASSOCIATES
CHARTERED ACCOUNTANTS

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LIQUIDATOR'S FIRST REPORT

(pursuant to section 255 of the Companies Act 1993)

to the Creditors and Shareholders of

The Chestnut Company of New Zealand Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company by special resolution at Auckland on 9th day of August 2001 at 7.04pm.

The Liquidator takes no responsibility for any misinformation contained in this report that has been supplied by the company, its officers or other persons.

COMPANY INFORMATION

Date of Incorporation :	5 th December 1997
Company Number :	AK884024
Trading Address :	Unit C, 44 – 46 Constellation Drive, Mirangi Bay.
Type of Business :	Chestnut Processors.
Date trading ceased :	9 th August 2001
Share Capital :	1,350,000 Shares
Shareholders :	Various
Director :	Jeffery Donald TOMBLESON

A statement of the company's financial position (assets and liabilities) at the date of liquidation is included with this report.

OBSERVATIONS

I have arranged on 10th September 2001 to meet with David Greenslade.

FINANCIAL INFORMATION

The last sets of financial accounts for the company was for the year ended 31 December 2000 and were completed by Nobilo & Co Limited, Chartered Accountants.

Assets and Liabilities identified by the Liquidator are:

	Estimated Realisable Value
<u>Assets</u>	
Vince Demarte – Australian Debtor	A114,000.00
Assets at cost price	312,623.00
<u>Liabilities</u>	
Group A Creditors	51,684.48
Group B Creditors	82,315.52

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

I will discuss with the director and management the most beneficial manner in which to dispose of the specialised equipment. An international tender may be warranted.

OTHER ACTIONS OF THE LIQUIDATOR

I will conduct an investigation into the affairs of the company;

- a) To determine the date of insolvency
- b) To determine the conduct of the Directors
- c) To establish whether the directors owe any money to the company and to pursue recovery thereof.
- d) To determine if there are any voidable transactions and to pursue recovery thereof.

ESTIMATED COMPLETION DATE

The administration is expected to be completed by 31st October 2002.

PROSPECT OF DIVIDEND

If the assets can be realised for realistic prices and the Australian debt collected, then there will be a dividend to creditors.

NOTICE REGARDING MEETINGS

Having regard to the assets and liabilities of the company, the likely result of the liquidation and other relevant matters, the Liquidator considers in accordance with section 245 of the Companies Act 1993 that no meeting of creditors should be held at this time.

Consequently, a meeting of creditors will not be held unless within 14 days after receiving this notice a creditor gives notice in writing to the Liquidator requiring a meeting to be called.

LIQUIDATION COMMITTEE

At any time during the liquidation, any creditor may in writing request the Liquidator 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 Liquidator as appropriate in the conduct of the liquidation.



Gerard Hulst
Liquidator

Dated this 3rd day of September 2001.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

The Chestnut Company of New Zealand Limited (In Liquidation)

P.O Box 6901 Wellesley Street, Auckland 1

Name and postal address of creditor in full:**Telephone Number:****Facsimile Number:****Amount Claimed:**

\$

I, _____

(title if claim is not on behalf of an individual) _____

claim that the company was at the date it was put into liquidation indebted to the above named creditor for the amount claimed. We hold no security for the amount claimed.

PARTICULARS OF CLAIM

Invoice Date	Invoice Number	Brief Description of Goods or Services Provided	Invoice Amount

Attach separate sheet if space is insufficient

You are not required to attach any supporting documents at this stage, but you may attach them now, if you think it would expedite the processing of the claim. The liquidator may require the production of all documents.

WARNING: It is an offence under the Companies Act to make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Signed:**Date:****RESERVED FOR LIQUIDATOR'S DECISION**

CLAIM ADMITTED FOR PAYMENT

OR

CLAIM REJECTED FOR PAYMENT

Preferential Claim

Ordinary Claim

Deferred Claim

\$

\$

\$

Signed Liquidator:

Dated: