

GERARD HULST & ASSOCIATES
CHARTERED ACCOUNTANTS

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File ref.: 4/1
document : report01e

LIQUIDATOR'S FIRST REPORT

(pursuant to section 255 of the Companies Act 1993)

to the Creditors and Shareholders of

Intercity Movers 2000 Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company by a special resolution of the shareholders at Auckland on the 11th day of June 2001, and timed at 1.30pm.

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 :	10 th August 2000	
Company Number :	HN 1055482	
Trading Address :	Te Rapa, Hamilton	
Type of Business :	Furniture storage and removal	
Date trading ceased :	11 June 2001	
Share Capital :	100	
Shareholders :	Jullian Patrick WAGG	50
	Jason Keith BARNES	50
Director :	Jullian Patrick WAGG	

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

OBSERVATIONS

The company commenced on 10 August 2000, approximately one month after Jason Barnes sold his interest in Countrywide Movers (Auckland) Limited.

Jason Barnes managed to convince his friend to invest in his new company. Although Jullian Wagg is shown as a Director of the company he played no active part in its management.

The company initially serviced the North Island market, specialising in moving household furniture from city to city.

In October 2000, the company, through Jason Barnes, acquired the services of Mark Korau and began a nationwide service. Mark was based in the South Island and acted as the sales manager for the whole company. Mark Korau had active involvement in the affairs of this company. Unbeknown to Jason Barnes, Mark Korau had been adjudicated bankrupt on 10 May 2000.

The company's expansion plans were undercapitalised. Also the company made some "bad quotes" and lost heavily on those jobs. The company was not able to recover from that position.

The financial position of the company was kept hidden from Julian Wagg and the request that he place the company into liquidation came as a shock to him.

On 15 February 2001 Jason Barnes ceased to be a Director of the company. The Companies Office was notified of the change on 28 March 2001.

The last annual return for the company was filed on 9 March 200 and this was completed by Jason Barnes. On this return he deleted his shareholding and shows Julian Wagg as the sole shareholder. Julian Wagg confirms that no share transfers have been signed and he did not purchase Barnes' shares.

I am aware that the company had several vehicles and I am in the process of trying to locate each vehicle and to investigate the circumstances surrounding its change of ownership. I note that two vehicles have been transferred to AAA Movers Limited, a company managed by Mark Korau, however the shareholder and Director of that company is Marcus Korau [Mark's son]. These two vehicles are subject to Hire Purchase agreements however there is equity in each vehicle. Litigation may be necessary to recover that equity.

At the date of liquidation there was various freight items located in Christchurch and Auckland. These items need to be forwarded on to their consignees.

I have also been able to establish that some customers took out and paid for insurance for their goods whilst in transit. I have been able to establish that some of these premiums have not been passed on the Insurance company, consequently consignors or consignees are not insured.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

An internet search of the Companies Register shows that:

Jullian Patrick WAGG is not and has not been associated with any other company.

Jason Keith BARNES is not associated with any currently trading company.

FINANCIAL INFORMATION

I have not been shown any financial information. The accountant for the company was Mobile Accounting Services, of Hamilton.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
Net equity in Motor Vehicles	18,000
Debtors	12,000
	<u>\$ 20,000</u>
<u>Liabilities</u>	
34 x trade creditors - unsecured	85,870
22 x unsatisfied customers	30,130
	<u>\$ 116,000</u>

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

The debtors will be given to a specialist collection firm.

Once all the vehicles are identified I will contact the purchaser to determine purchase price details and to identify the money being banked into the company's account. Litigation will be taken where necessary.

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.
- e) To determine if any other persons should be held responsible or accountable for the position of the company and to take appropriate action.

ESTIMATED COMPLETION DATE

The administration is expected to be completed by 31 March 2003, subject to any court actions.

PROSPECT OF DIVIDEND

It is unlikely that there will be a dividend to unsecured 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 18th day of June 2001.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Intercity Movers 2000 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
<i>Attach separate sheet if space is insufficient</i>			

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
\$ <input style="width: 150px; height: 20px;" type="text"/>	\$ <input style="width: 150px; height: 20px;" type="text"/>	\$ <input style="width: 150px; height: 20px;" type="text"/>
Signed Liquidator:	Dated:	