

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

Tile Delivery Services Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company by an order of the High Court at Auckland on the 31st day of May 2001, and timed at 11.05am.

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 :	8 th April 1997
Company Number :	AK 848133
Trading Address :	4 Melody Lane, Otahuhu, Auckland
Type of Business :	Cartage Contractor
Date trading ceased :	19 th December 2000
Share Capital :	100
Shareholders :	George Charles MOUNTNEY 50 Ruth Elaine MOUNTNEY 50
Directors :	George Charles MOUNTNEY
High Court Reference :	M.570-IM01
Petitioning Creditor :	The company was placed in Liquidation on the petition of the Inland Revenue Department for \$61,219.69 being unpaid taxes. Costs of \$1,820.00 plus disbursements of \$485.97 were awarded.

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

OBSERVATIONS

The company specialised in Tile Delivery Services and had a good relationship with various tile warehouses as a delivery contact.

The proof of debt filed by the Inland Revenue Department show that the company began having trouble paying its taxes in May 1997.

The Director advised that he first realised “about a year ago” that the company could not pay its debts as they fell due.

Prior to December 2000 the Director went to his financial advisers BDO Spicers.

The eventual outcome is that on the 19th of December 2000 the assets of Tile Delivery Services Ltd were sold to TDS (2000) Ltd for \$38,658. Clause 4 of the agreement states:

Payment of the purchase price shall be on terms agreed between the parties from time to time and failing agreement shall be paid by equal and consecutive monthly, quarterly or yearly instalment's (at the discretion of TDS) over a term of ten (10) years free of interest.

The shareholder and Director of TDS (2000) Ltd is John Allen Mountney the brother of George Mountney.

George Mountney and Ruth Mountney were adjudicated bankrupt on the 17th day of January 2001.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

An internet search of the companies register shows that George Charles MOUNTNEY is not associated with any other companies.

FINANCIAL INFORMATION

The last set of financial accounts for the company were for the year ended 31 March 2000 and were completed by BDO Auckland.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
Sale of Assets	\$35,658.00
<u>Liabilities</u>	
Inland Revenue Department	\$61,619.69

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

The sale and purchase agreement between Tile Delivery Services Ltd and TDS 2000 Ltd will need to be reviewed and a repayment scheme arranged.

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 December 2002, subject to any court actions.

PROSPECT OF DIVIDEND

There will be a dividend to preferential creditors.

There will be a no dividend to other 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.

In the absence of a liquidation committee, the Liquidator will work closely with the petitioning creditor.

Gerard Hulst

Liquidator

Dated this 10th day of July 2001.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Tile Delivery Services 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: