

GERARD HULST & ASSOCIATES
CHARTERED ACCOUNTANTS

Box 6901 Wellesley Street
Auckland 1

Telephone : (09) 357 6756	Facsimile : (09) 303 3371	e-mail : gerard@hulst.co.nz
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Liquidator's Final Report
pursuant to section 257 of the Companies Act 1993

to the Creditors and Shareholders of
Abalonics New Zealand Limited (In Liquidation)

Gerard Hulst was appointed Liquidator of the above company by order of the High Court at Auckland on the 13th of April 2000.

Actions of the Liquidator

The first report to creditors was dated 12 May 2000.

I have followed up all outstanding issues and report as follows:

At the time of my appointment there was considerable confusion as to the exact status of the company. Representations made to me are:

Date:	Source:	Comment:
28 April 2000	Telephone Call Dean Rawlings	This company never traded and it was only there to receipt money from Greatlands Aquaculture. No money was received.
4 May 2000	Telephone Call Gareth Hoole	Gareth was a CA in practice, and he acted for McFarlane Schuler Marine Hatchery Limited (MSMHL) as their accountant. Abalonics New Zealand Limited was incorporated in order to trade as a new coy when research had been completed by MSMHL and funding obtained to fund the project. Abalonics New Zealand was never meant to trade until then. He can only explain returns being done for this company because the office manager Tania was possibly under the belief that the financial year ending 31 March 1998 for MSMH was the end of its trading and the start of Abalonics New Zealand Limited.
4 May 2000	Letter - A.J. McCullagh Liquidator of MSMHL	I was advised by the directors of McFarlane & Schuler Limited that Abalonics was formed by Dean Rawlings and Lance Schuler following a disagreement between them and Mr McFarlane with a view to obtaining overseas funds to develop the business. Following my appointment Messrs Rawlings and Schuler continued to try to obtain funding without success.
2 June 2000	Letter - A.J. McCullagh Liquidator of MSMHL	I have spoken to the company's accountant who has advised that there was no sale of assets in April 1998. There is nothing in the records, which I hold, indicating that any assets were sold to Abalonics. If there had been I would have sought to recover them a long time ago.

From these comments I conclude that Abalonics New Zealand did not trade. The tax returns (GST and PAYE) in fact relate to MSMH and the Inland Revenue Department should re-assess the taxes against that company.

The Liquidator of MSMHL sold the assets of that company for \$100,000 to Takatau Marine Hatchery Limited (Paul Bracy). Mr McCullagh wrote to me on 4 May 2000 and advised that the proceeds of the sale were insufficient to enable a dividend to be paid to unsecured creditors. As there was no secured creditor in MSMH Limited (In Liquidation), all the sale proceeds should have gone to the Inland Revenue Department to settle the preferential claim.

Unfortunately I am unable to confirm this point as Mr McCullagh has refused to discuss the disbursement of the sale proceeds, and as that Liquidation is not complete he does not yet need to file a Statement of Receipts and Payments. No doubt all will be revealed when that Liquidation is complete.

Statement of Realisations and Distributions

pursuant to s257 of the Companies Act 1993

There were no Realisations and Distributions during this Liquidation.

General Comments

The liquidation of the company is now complete and the Liquidator states:

1. All known assets have been disclaimed or realised or distributed without realisation, and
2. All proceeds of realisation have been distributed, and
3. A statement of Realisation and Distribution is included in the report.
4. The company is ready to be removed from the New Zealand Register.

Notice of Intention to remove Company from the Register

I, Gerard Hulst, Chartered Accountant of Auckland, Liquidator of Abalonics New Zealand Limited (In Liquidation), whose registered office is situated at 26 Hobson Street, Auckland, hereby give notice that, pursuant to section 320 of the Companies Act 1993 and having filed with the Registrar my final report on the Liquidation, it is intended to remove the Company from the New Zealand Register.

The Liquidator will advertise on the 1st May 2002 the Notice of Intention to have the company removed from the Register.

All creditors or shareholders may send or deliver to the Registrar, not later than the date to be specified in the Notice, (31 May 2002), an objection to the removal on any of the grounds in Section 321 of the Companies Act 1993 which in summary are; there is some current activity being undertaken by the company, or it is a party to legal proceedings, or it would not be just and equitable to remove the company from the Register.

For enquires please contact Gerard Hulst.

Dated this 29th day of January 2002



Gerard Hulst - Liquidator