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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

BOTANY DEVELOPMENTS Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company pursuant to an order of the High Court at Auckland on 22 August 2002. The order was timed at 10.25 am.

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 December 1998
Company Number :	AK 937417
Trading Address :	Richfield Lane, Howick
Type of Business :	Property Developers
Date trading ceased :	May 2001
Share Capital :	1,000 shares
Shareholders :	Robin Charles EADE 500 shares Noel Alfred ROGERS 500 shares
Directors :	Robin Charles EADE Noel Alfred ROGERS
High Court Reference :	M635-IM02
Petitioning Creditor :	The company was placed in Liquidation on the petition of The Commissioner of Inland Revenue for \$58,384.85 being GST and penalties. Costs of \$1,560.00 plus disbursements of \$1,301.13 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 two directors are friends in the real estate business.

The company was formed to acquire two sections in Howick. Each Director then took one section each for their own building purpose.

One Director decided not to construct his own house on the section and it was subsequently sold.

Two further sections were acquired and the company erected dwellings. The houses did not sell as expected and they were eventually sold on a "rent to buy scheme". I have been advised that the "renters" have subsequently settled their purchase.

The Director Noel Rodgers claims to have had no involvement with the financial affairs of the company.

I have met with the other Director, Robin Eade. He failed to bring in the company's books and records to the meeting. He also failed to honour his undertaking to bring the records to my office within his own time frame. When contacted and asked why, his response was "*they are not ready*".

The company had secured borrowings from Southern Cross Building Society. I have been advised that the loan was repaid in November 2001. I note that this is after the dated that Robin Eade claims that the company ceased to trade.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

An Internet search of the Companies Office records shows that:

1. Robin Charles EADE is a director of Botany Properties Ltd and Focus Real Estate Management Ltd.
2. Noel Alfred ROGERS is a director of Botany Properties Ltd, Focus Real Estate Management Ltd and Taniwha Fairway Trustco Ltd.

FINANCIAL INFORMATION

No financial information has been provided.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
unknown	
<u>Liabilities</u>	
IRD Debt	61,500
1 x unsecured creditor	1,500

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

There are no known assets to dispose.

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 31 July 2003, subject to any court actions.

PROSPECT OF DIVIDEND

It is unlikely that there will be a dividend to the 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

Gerard Hulst

Liquidator

Dated this 13th day of September 2002.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Botany Developments 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: 100%;" type="text"/>	\$ <input style="width: 100%;" type="text"/>	\$ <input style="width: 100%;" type="text"/>
Signed Liquidator:	Dated:	