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LIQUIDATOR'S FIRST REPORT

(pursuant to section 255 of the Companies Act 1993)

to the Creditors and Shareholders of

CLEAVE REFRIGERATION Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company pursuant to a resolution of the shareholders dated 27 November 2002. The resolution was timed at 3.45 pm.

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

Company Number :	982120
Date of Incorporation :	11 October 1999
Trading Address :	44 Keeling Road, Henderson.
Type of Business :	Installers of air conditioning and ventilation systems.
Date trading ceased :	June 2002
Share Capital :	100 shares
Share parcels :	Martin CLEAVE 30 Shares
	Darren CLEAVE 30 Shares
	Jeffrey CLEAVE 30 Shares
	John CLEAVE 10 Shares
Director :	John CLEAVE

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

OBSERVATIONS

The company installed and maintained air conditioning and ventilation systems for a range of clients.

The shareholders were all Directors of the company, however the increase in bad debts led to a desire for a change in direction.

In June 2002 the company ceased to trade and three of the Directors resigned.

There was a desire by one of the shareholders to continue the business however the bad debts meant that the company did not have sufficient cash to pay its IRD obligations. In addition some creditors were also in arrears.

The Shareholders considered it prudent to place the company into liquidation, as it had no possibility of future trading.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

John Cleave is a director of Just Seafoods Limited.

FINANCIAL INFORMATION

I have not been given any financial information.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
Debtors	99,124.71
<u>Liabilities</u>	
IRD – preferential claim – est	80,000.00
29 x unsecured creditors	129,083.17
	<hr/> \$ 209,083.17 <hr/>

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

The debtors will be contacted and collected in the normal course of business.

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 30 November 2003, subject to any court actions.

PROSPECT OF DIVIDEND

Given that some of the debtors are in dispute and that the IRD's preferential claim may exceed the funds recovered, 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

Gerard Hulst

Liquidator

Dated this 3rd day of December 2002.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Cleave Refrigeration 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 type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Signed Liquidator: <input type="text"/>		Dated: <input type="text"/>