

GERARD HULST & ASSOCIATES
CHARTERED ACCOUNTANTS

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Liquidator's Final Report
pursuant to section 257 of the Companies Act 1993

to the Creditors and Shareholders of

Colrayne Holdings Limited (In Liquidation)

Gerard Hulst was appointed Liquidator of the above company by order of the High Court at Auckland on 26 March 1998.

This company was part of a group of companies set up by Mr & Mrs York. The other related companies are:

Spencer-York Publishing House Limited (In Liquidation); date appointed 4 February 1999
Lismont Investments Limited (In Liquidation); date appointed 25 March 1999
National Promoting Limited (In Liquidation); date appointed 16 September 1999

The Liquidator's Final Report on these liquidations is being prepared in conjunction with this report.

Actions of the Liquidator

The first report to creditors was dated 24 April 1998.

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

In April 1998 Colrayne Holdings Limited & Spencer-York Publishing House Limited were fined \$67,500 under the Fair Trading Act for a false advertising fraud. These companies were found guilty of copying legitimate advertisements from other publications and charging businesses for advertising they never ordered.

Upon Liquidation, the York's ignored my correspondence and a summons that was sent to their address.

Mr York died in a car crash on 8 October 1998.

On 13 October 1998 a summons was personally served on Mrs York. This brought a response from her Solicitor, David Hoskin of Kidd Tattersfield Hoskin & Co, stating that Mrs York was unable to attend the meeting date and asked for it to be rescheduled.

The York's new accountant, Matthew Bellingham of Colson White & Co, provided me with "all the company information". During subsequent litigation proceedings, Bellingham produced additional accounting information. At that stage I raised the question; What other accounting information is being concealed from the Liquidator? No answer was ever forthcoming.

My subsequent requests to David Hoskin for a meeting with Mrs York have either been ignored or not kept. It took two more summonses, on 14 June 1999 and 23 July 1999, before I was able to finally obtain information from Mr Hoskin. Mrs York has never presented herself for interviews and has been fully protected by her professional advisers.

I was able to establish the following:

1	The balance of the York's current account as at 30 November 1997 as calculated by Bellingham	10,541.09
2	A voidable preference action to reclaim the repayment of the current account credit balance as at 31 March 1997 as confirmed by Bellingham	61,996.00
3	The assets of the company that were transferred to Lismont Investments Limited	42,644.99
4	The profit of the company for the year ended 31 March 1997 taken by the York's as salary	254,483.00
5	If the period 1 April to 26 November 1997 was as profitable as the previous year then in the 8 months the company would have made a profit that also would have been taken by the York's as salary	109,655.00
6	Debtors transferred to National Promoting Limited by deed of assignment dated 26 November 1997	909,349.02

On 8 September 1998 I served a statutory demand against Spencer-York Publishing House Limited for \$16,711.80 being advances made. Spencer-York Publishing House Limited was placed into liquidation by another creditor before I could initiate my own liquidation action. *(Refer Final Report on Spencer-York Publishing House Limited (In Liquidation))*

On 13 October 1998 I served a statutory demand against Lismont Investments Limited for \$42,644.99 being assets transferred. Despite vigorous legal manouvers by Hoskin & Bellingham, the company was placed into liquidation on 25 March 1999. However all the assets had been transferred to Mrs York's Family Trust. *(Refer Final Report on Lismont Investments Limited (In Liquidation))*

On 13 October 1998 a statement of claim was filed against Mrs York for \$10,861.24. Despite vigorous legal manouvering by Hoskin & Bellingham, on 8 October 1999 judgement was entered against Mrs York in the sum of \$10,861.26. Interest was to accrue on the principal sum at the rate of 11% per annum. In January 2000 costs of \$1,500 were awarded and judgement was sealed for \$13,307.35.

On 9 July 1999 I served a statutory demand against National Promoting Limited for \$909,349.02 being non-payment of the debtors transferred. National Promoting Limited was placed into liquidation by another creditor before I could initiate my own liquidation action. *(Refer Final Report on National Promoting Limited (In Liquidation))*

On 5 June 2000 Mrs York entered into an arrangement to pay \$20 per week.

On 27 October 2000 Mrs York declared herself bankrupt. This was just two years after Mr York's death and no doubt, after her Family Trust was set up, thus avoiding any possibility of the voidable preference claw back rules.

Statement of Realisations and Distributions

pursuant to s257 of the Companies Act 1993

Realisations

Contributions from Mrs York

\$440.00

Distributions

Legal fees (part)

\$440.00

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 Colralyne Holdings Limited (In Liquidation), whose registered office is situated at Ground Floor, 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 1st November 2001 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, 30th November 2001, 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 25th day of October 2001

Gerard Hulst - Liquidator