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LIQUIDATOR'S FIRST REPORT
(pursuant to section 255 of the Companies Act 1993)

to the Creditors and Shareholders of

LAUREL BOUTIQUE (NZ) Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of Laurel Boutique (NZ) Limited pursuant to a resolution of the shareholder dated 29 July 2002 and timed at 2.10 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

Date of Incorporation :	2 October 1996	
Company Number :	AK 828383	
Trading Address :	125 Queen Street, Auckland 1	
Type of Business :	Clothing retailer	
Date trading ceased :	2 August 2002.	
Share Capital :	100 shares	
Shareholders :	Andrea Christine RAKICH	100 shares
Directors :	Andrea Christine RAKICH	

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

OBSERVATIONS

The company traded in women's high end fashion clothing. Even though the company had a loyal customer base it experienced three bad seasons in a row.

The director was unable to identify any specific cause of the down turn other than the difficulties experienced by retailers in general.

The new stock for the 2002 summer season had been ordered on indent and was scheduled to be delivered at the beginning of August.

The Director considered it would be unfair to the suppliers to take delivery of the stock knowing that the company may not be able to trade out of the current position. The Director had no alternative but to place the company into liquidation.

Prior to the liquidation the business had been extensively advertised "for sale", however no genuine expressions of interest were forthcoming.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

The director is not associated with any other company.

FINANCIAL INFORMATION

The last set of financial accounts for the company were for the year ended 30 June 2001 and were completed by Hamon & Associates Ltd.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
Stock – not subject to retention of title	1,000.00
Shop Fittings	5,000.00
	<u>\$ 6,000.00</u>
<u>Liabilities</u>	
Staff – preferential holiday pay	800.00
Secured Charge debenture	21,000.00
IRD – preferential PAYE and GST – est	5,200.00
Unsecured creditors – est	60,000.00
	<u>\$ 87,000.00</u>

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

The shop remained open for the period 29 July to 2 August in an attempt to sell stock at "sale prices". trading was very light.

Retention of title claims over stocks have been attended to and garments returned to suppliers. The balance will be disposed of in an appropriate manner.

The shop fittings will be taken to auction.

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 Director
- c) To establish whether the director owes 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 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

Liquidator

Dated this 5th day of August 2002.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Laurel Boutique (NZ) Limited (In Liquidation)

P.O Box 6901 Wellesley Street, Auckland 1

Name and postal address of creditor in full:**Telephone Number:****Facsimile Number:****E-mail address:****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: