

GERARD HULST & ASSOCIATES
CHARTERED ACCOUNTANTS

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LIQUIDATOR'S FIRST REPORT

(pursuant to section 255 of the Companies Act 1993)

to the **Creditors and Shareholders of**

LEVER'S LAWN & HEATING CENTRE Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company pursuant to a resolution of the shareholders dated 4th December 2001. The resolution was timed at 11.54 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 :	21 July 1975	
Company Number :	AK 95095	
Trading Address :	1 Seddon lane, Pukekohe	
Type of Business :	Retail and Repair shop.	
Date trading ceased :	4 th December 2001.	
Share Capital :	2,000 shares	
Shareholders :	Kathleen Marie DENNEHY	1,000 shares
	Murray Ian LEVER	1,000 shares
Directors :	Murray Ian LEVER	

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

OBSERVATIONS

The company operated as a retailer of lawn mowers, wood burning stoves, bikes and bar-b-ques. The company also undertook repair work.

The business was purchased about 10 years ago. It acquired the distributorship to several leading brand products.

Approximately three years ago a second shop was opened in Papakura. This venture lasted about six months and ran up considerable debts prior to it being closed.

Competition in the industry became fierce and the Pukekohe store struggled to meet its on going commitments, let alone repay the debts from the expansion venture.

Various arrangements were made with suppliers however trading conditions worsened.

The Director sought advice from his accountant. The projections were such that the company could not trade out of its difficulties.

Upon appointment as Liquidator I contacted all the known creditors to ask that they visit the shop to identify any product that may be subject to retention of title claims.

My intention was to trade until 21 December, however I was approached by several parties interested in acquiring the business. On 7th December a formal sale and purchase agreement was entered into and the business was sold. The new owners took over from 10th December 2001.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

Murray Lever is not associated with any other company.

FINANCIAL INFORMATION

The last set of financial accounts for the company are for the year ended 31 March 1999 and were completed by Robertson Humphreys & Co, Chartered Accountants.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
Stock, Equipment, Furniture & Goodwill	24,000
Motor Vehicle	15,000
Debtors	10,000
	<u>\$ 49,000</u>
<u>Liabilities</u>	
Preferential wages and holiday pay	7,000
IRD – preferential PAYE	3,000
IRD – preferential GST	15,000
Unsecured creditors	300,000
	<u>\$ 325,000</u>

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

The motor vehicle will be sold by auction.

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

OTHER ACTIONS OF THE LIQUIDATOR

There was a considerable amount of stock that was subject to retention of title. This stock will be returned to the suppliers. The company was on the invoice basis for GST. The return of stock will generate a GST liability.

ESTIMATED COMPLETION DATE

The administration is expected to be completed by 30 September 2002.

PROSPECT OF DIVIDEND

If the realisation stated can be achieved then it is possible that a small dividend to creditors will be payable. In any event the dividend to creditors will be less than \$0.20 / \$1.00

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 11th day of December 2001.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Lever's Lawn & Heating Centre 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

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: