

GERARD HULST & ASSOCIATES
CHARTERED ACCOUNTANTS

Box 6901 Wellesley Street
Auckland 1

Telephone : (09) 5222 222

e-mail : gerard@hulst.co.nz

www.hulst.co.nz

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

to the Creditors and Shareholders of

Locanda Holdings Limited (In Liquidation)

Gerard Hulst was appointed Liquidator of the above company by order of the High Court at Auckland on 15 April 1999.

Actions of the Liquidator

The first report to creditors was dated 10 May 1999.

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

1. I have received and reviewed the company records and conclude that there are no voidable transactions within the two year specified period.
2. The company's investment of a life policy with AMP was sold.
3. Significant time and effort went into investigating the payments made from Locanda Holdings Limited to the Reeb Family Trust. These payments were made in reduction of the Trust's mortgage.
4. The Reeb Family Trust debt was referred firstly to a debt collection agency and secondly to a lawyer so that judgement could be obtained.
5. Considerable legal time went into investigating the possibility of bringing an unjust enrichment case against the Trustees of the Reeb Family Trust. However the result of this course of action was uncertain and therefore not economically viable.
6. Locanda Holdings Limited (In Liquidation) was the sole shareholder of Bizarre Holdings Limited a company which was primarily involved in the conversion of an ex-marine research vessel into a diving expedition vessel.
7. On 2 February 2000 Bizarre Holdings Limited (In Liquidation) was placed into liquidation by a special resolution of the shareholder.
8. Bizarre Holdings Limited (In Liquidation) owned the vessel which was subject to a debenture. The debenture holder sold the vessel with the funds received in the sale creating a shortfall to the debenture holder.
9. The liquidator of Bizarre Holdings Limited (In Liquidation) advises that there will be no dividend in the liquidation.
10. An investigation into the affairs of the company has revealed that as at 15 April 1999 Frank Yeates' shareholder's current account had a debit balance of \$187,295.90.
11. This debt was referred to a debt collection agency, which made numerous attempts to collect the debt.
12. On 4 October 2001 I deemed \$187,295.60 as a dividend to Frank Allen YEATES for the year ended 31 March 2000.

13. As liquidator I have been working closely with the National Enforcement Unit in their s385 Companies Act 1993 investigation of Frank Yeates.
14. On 9 October 2003 the Registrar of Companies prohibited Frank Allen Yeates from being 'a director or promoter of, or being concerned or taking part, whether directly or indirectly, in the management of the company for a period of five years.'
15. Funds recovered in this liquidation have enabled the liquidator to pay the IRD its first and second actions Court awarded costs and disbursements, plus 16% of its preferential claim for Tax Deductions and GST.
16. There is no financial benefit in continuing with the liquidation.

Statement of Realisations and Distributions

pursuant to s257 of the Companies Act 1993

A Statement of Realisations and Distributions is attached.

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 attached.
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 Locanda Holdings Limited (In Liquidation), whose registered office is situated at 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 28 July 2004 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, 27 August 2004, 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 16th day of July 2004

Gerard Hulst

Gerard Hulst - Liquidator

LOCANDA HOLDINGS LIMITED (In Liquidation)
Statement of Realisations and Distributions
for the period 15 April 1999 to 16 July 2004

PARTICULARS OF REALISATIONS

Interest	1,897.92
Sale of Investments	34,425.52
A.C.C Experience Rating Refund	653.93
TOTAL	\$36,977.37

PARTICULARS OF DISTRIBUTIONS

Search Fee	45.00
Stationery (Admin File Setup)	1,400.00
Postage	38.00
Legal Fees	4,304.72
Process Server's Fees	100.00
Storage	168.00
GST Claimable	1,250.00
Liquidator's Remuneration	18,249.00
Petitioning Creditor's Costs & Disbursements	2,719.25
IRD 16% of Preferential Claim	8,703.40
TOTAL	\$36,977.37