

GERARD HULST & ASSOCIATES
CHARTERED ACCOUNTANTS

Box 6901 Wellesley Street
Auckland 1

Telephone : (09) 357 6756

Facsimile : (09) 303 3371

www.hulst.co.nz

e-mail : gerard@hulst.co.nz

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LIQUIDATOR'S FIRST REPORT

(pursuant to section 255 of the Companies Act 1993)

to the Creditors and Shareholders of

P.J.D. SAWMILLS Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company pursuant to a resolution of the shareholder dated 23rd April 2003. The resolution was timed at 9.45 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

Company Number : 694024
Date of Incorporation : 1 September 1995
Trading Address : Orewa
Type of Business : Mobile Sawmilling
Date trading ceased : 16 April 2003

Share parcels		Shares held
Parcel 1	Pamela Joy HOFFMAN	100
Directors :	Pamela Joy HOFFMAN	

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

COMPANIES WITH WHICH THE DIRECTOR HAS AN ASSOCIATION

A search of the Companies Office website details that Pamela Joy Hoffman is not associated with any other company.

OBSERVATIONS

The business commenced in 1997 as a specialised portable sawmilling operation contracting mainly to small holders of timber and dealing predominantly in Pine, Macrocarpa and Gum.

The business employed a full time manager.

The industry is very competitive and the margins were not great.

In December 2001 the company's traxcavator was sold as repairs were uneconomic. The company began to hire the necessary equipment, however the business was not profitable to sustain the hire charges.

The Director took professional advice regarding the affairs of the company and realised that it could not continue.

FINANCIAL INFORMATION

The last set of financial accounts for the company are for the year ended 31 March 2001 and were completed by Murray Lee, Chartered Accountants.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
Debtor	2,500
Motor Vehicle	1,000
Portable Sawmill	18,000
	<u>\$ 21,500</u>
<u>Liabilities</u>	
IRD – Preferential Taxes	14,000
12 x unsecured creditors	42,000
	<u>\$ 56,000</u>

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

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

The motor vehicle and portable sawmill will be sold by 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 December 2003, subject to any court actions.

PROSPECT OF DIVIDEND

I am unable to determine whether a dividend will be payable as all the financial information is not yet available.

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 10 working 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 24th day of April 2003.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

P.J.D. Sawmills Limited (In Liquidation)
P.O Box 6901 Wellesley Street, Auckland 1

Creditor details

The name of your business		
The postal address of your business		
Telephone number	Facsimile number	e-mail address

Amount Claimed:

\$

Name of person completing the form, _____

(your title in the firm you represent) _____

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
\$	\$	\$
Signed Liquidator:	Dated:	