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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

Spencer-York Publishing House Limited (In Liquidation)

Gerard Hulst was appointed Liquidator of the above company by order of the High Court at Auckland on 4 February 1999.

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

Colrayne Holdings Limited (In Liquidation); date appointed 20 March 1998
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 2 March 1999.

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

In April 1998 Spencer-York Publishing House Limited & Colrayne Holdings 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.

In November 1997, the York's Solicitor H.D Kidd of Kidd Tattersfield & Co, wrote to the York's Accountant M. Bellingham of Colson White & Co. The letter stated:

- 1. Apparently these companies (Spencer-York Publishing House Limited & Colrayne Holdings Limited) are under threat from the Inland Revenue Department and the York's are content to let them be wound up.*
- 2. I am concerned, however, that there may be indebtedness from the York's to their companies.*
- 3. In addition, we have instructions to transfer what assets there are in the two companies to the new company, National Promoting Limited.*

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

Upon liquidation, Mrs York chose to ignore my correspondence.

My correspondence dated 22 March 1999 sent to H.D Kidd of Kidd Tattersfield & Co was ignored.

My correspondence dated 26 April 1999 sent to David Hoskin of Kidd Tattersfield Hoskin & Co was ignored.

On 14 June 1999 a summons was served on David Hoskin.

On 29 June 1999 a meeting was held. Various undertakings were given by David Hoskin, which were confirmed in writing to him on that date. Mr Hoskin failed to honour his undertakings.

On 23 July 1999, Mr Hoskin was again summonsed to provide information.

I was eventually able to establish the following:

1	Year ended 31 March 1998 - Drawings as per cash book	99,075.81
2	Year ended 31 March 1998 - AGC payments. The York's had a boat financed with AGC – hence these payments are personal	12,744.45
3	Year ended 31 March 1998 – Suspense account – The majority of transactions are noted “no description on cheque” – on this basis the expense is personal	190,631.11
4	Year ended 31 March 1995 – Fixed Assets transferred to Lismont Investments Limited	15,633.46
5	Year ended 31 March 1996 – no accounting information has been given to us	
6	Year ended 31 March 1997 – no accounting information has been given to us	
7	Debtors transferred to National Promoting Limited by deed of assignment dated 26 November 1997	634,363.29

On 9 July 1999 I served a statutory demand against National Promoting Limited for \$634,363.29 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 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

There were no Realisations and Distributions during this liquidation.

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 Spencer-York Publishing House 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