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LIQUIDATOR'S FIRST REPORT

(pursuant to section 255 of the Companies Act 1993)

to the Creditors and Shareholders of

W & SB Limited (In Liquidation)

previously trading as Warkworth Glass Glazing & Auto Glass Limited.

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company pursuant to an order of the High Court at Auckland on 10th July 2003. The order was timed at 10.56 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 : 535241

Date of Incorporation : 25 March 1992

Trading Address : Warkworth

Type of Business : Glaziers

Date trading ceased : unknown

Share parcels

Shares held

Parcel 1 Wayne Kenneth BRAGG 999

Parcel 2 Susan Anne BRAGG 1

Directors : Wayne Kenneth BRAGG
Susan Anne BRAGG

High Court Reference : CIV 2003 404-1017

Petitioning Creditor : The company was placed in Liquidation on the petition of The Commissioner of Inland Revenue for \$106,036.27 being unpaid GST, PAYE and ARIC Premiums plus associated penalties and interest. Costs of \$2,600.00 plus disbursements of \$1,311.48 were awarded.

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

OBSERVATIONS

The company was called Warkworth Glass Glazing & Auto Glass Limited and changed its name on 16 December 2002.

This matter was first called to Court on 8 May 2003. The company was represented in Court and sought an adjournment for settlement negotiations. The case was adjourned to 5 June 03.

The Companies Office records show that on 4 June 2003 at 2.30 pm, John Buchanan filed a notice of his appointment as liquidator pursuant to a resolution of the shareholders. The records also show that pursuant to an order of the High Court on 5 June 2003 and timed at 4.00 pm "*THAT the voluntary liquidation be terminated*". The matter was adjourned until 10 July 03.

At the hearing on 10 July the company was not represented and the liquidation order was made.

Correspondence sent to the Directors has not been returned.

On 4 August 2003 I spoke with Wayne Bragg by telephone. He acknowledged receipt of my earlier letter and advised that it had been forwarded on to his solicitor.

Based on the information in the IRD's statement of claim I have calculated that there is \$405,929.44 missing from the company. I can only conclude that the Directors/Shareholders have personally benefited from these funds. It is my intention to deem the money as income to the Shareholders.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

A search of www.companies.govt.nz reveals that Wayne Kenneth BRAGG and Susan Anne BRAGG are both directors of:

- Bathroom Plus Limited [Incorporated 22 August 1995]
- Glass Repair Centre Limited [Incorporated 17 April 2003]
- Warkworth Glass & Glazing Limited [Incorporated 16 May 2003]

FINANCIAL INFORMATION

I have received no financial information relating to the company.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
unknown	unknown
<u>Liabilities</u>	
IRD Petitioning creditor costs etc	3,911.48
IRD Statement of claim	106,036.27
2 x unsecured creditors - estimate	20,005.62
	<hr/> \$129,953.37 <hr/>

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

If I become aware of any assets they will be disposed of the most appropriate manner.

OTHER ACTIONS OF THE LIQUIDATOR

If I receive the books and records of the company then 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 Directors
- c) To establish whether the directors owe any money to the company and to pursue recovery thereof.
- d) To determine if there are any voidable transactions and to pursue recovery thereof.

Otherwise I will rely on the accounts that have been constructed from the IRD's records and deem the shareholders current account as income to them.

ESTIMATED COMPLETION DATE

The administration is expected to be completed by 10 July 2006, subject to any court actions.

PROSPECT OF DIVIDEND

As I have no financial information I am unable to determine if a dividend is possible.

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.

In the absence of a liquidation committee, the Liquidator will work closely with the petitioning creditor.

Gerard Hulst

**Gerard Hulst
Liquidator**

Dated this 6th day of August 2003.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

W & SB 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

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: