



Directors: Craig William Smith  
Vail Martin John Hubner

#### **4. Events leading to appointment of Liquidators**

The company had been building prototypes of a sheet metal system for earthquake proof houses in Japan. Their system had been tested and proved to work and patents were being obtained for it. However all this development cost a large amount of money and although a marketing and other grants had been received these also required injection of shareholder funds for which the two major shareholders eventually reached a point where they could no longer do so. Craig Smith was based in Japan and had taken no salary since June 2008. Vail Hubner was based in New Zealand. There were no revenue streams and although the product had been on display and been reasonably well received, no definite forward orders were formally confirmed.

Consequently the decision was taken by the directors to recommend to the shareholders that the company be liquidated.

#### **5. Statement of Affairs**

We attach as *Appendix I* a statement of the company's affairs as at the date of our appointment. This has been prepared from information provided to the Liquidators, and the Liquidators are not yet able to express an opinion on the validity of that information.

A creditors list is also on that Appendix. The bank loan was repaid by Vail Hubner. There are no assets of any economic value in New Zealand or Japan for the liquidators to realise, hence no dividend is expected for creditors or shareholders.

#### **6. Proposals for Conducting the Liquidation**

The Liquidators will examine company records and look to establish if there were any potentially voidable transactions made by the company.

Further we will look to establish if the directors have completed their statutory duties as required by the Companies Act 1993.

#### **7. Estimated Date of Completion of Liquidation and Notice As To Further Reports**

It is not practicable to estimate the date of the completion of the liquidation at this stage. It is anticipated that the next report will be the final report, but if there is a delay for any reason the next report will be 6 months after appointment.

#### **8. Creditors Meeting**

No meeting will be held. The Liquidators dispense with holding a creditors meeting pursuant to section 243 of the Companies Act 1993 as the dividend is expected to be nil and the costs of holding a meeting would be out of proportion to any value arising.

In accordance with Section 314 of the Companies Act 1993 a creditor or shareholder may request the Liquidators to call a meeting of creditors or shareholders at any time in the course of the

Liquidation to vote on a proposal that a Liquidation Committee be appointed to act with the Liquidators. This request must be in writing.

The Liquidators may decline a request by a creditor or a shareholder to call a meeting on the grounds that:

- a) the request is frivolous or vexatious; or
- b) the request was not made in good faith; or
- c) the costs of calling the meeting would be out of proportion to the value of the company's assets.

The decision to decline a request may be reviewed by the Court on the application of any creditor or shareholder.

#### **9. Creditors Claims**

Please complete and return the enclosed Unsecured Creditors Claim form by the 30<sup>th</sup> day April 2009. If you believe that you are a secured creditor please contact this office and the appropriate forms will be sent to you.

#### **10. Further Information**

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Stephne Harborne at our Tauranga Office.



Kenneth Peter Brown  
*Joint Liquidator*

Statement of Affairs of  
Advanced Housing Systems Limited (In Liquidation)  
as at 27 March 2009

*Appendix 1*

	<i>Book value</i>	<i>Estimated to realise</i>
	\$	\$
<b>Assets</b>		
Cash at bank	5	5
Research and development	29,804	0
Patents	42,386	0
Computer equipment	854	0
Plant & Equipment	<u>3,225</u>	<u>0</u>
	76,274	5
 <b>Less Secured Creditors</b>		 0
 <b>Less Preferential Claims</b>		 <u>0</u>
 <b>Surplus before Unsecured Creditors</b>		 5
 <b>Less Unsecured Creditors</b>		
Director loan – V Hubner		33,363
Shareholder current accounts		276,766
Evelyn Mae Limited		<u>4,000</u>
		314,129
 <b>Deficit (before costs of liquidation)</b>		 <b>\$314,124</b>

**Known creditors as at 27 March 2009**

Vail Hubner	78 Valley Road, Mount Maunganui 3116
Craig Smith	2830 Ishize, Niigata City, Japan
S Hindley	24 Waiheke Road, Onetangi, Waiheke Island
N & D Drummond	472 Belk Road, RD1, Tauriko, Tauranga
T J Smith	57 Emily Place, Otumoetai, Tauranga
Evelyn Mae Limited	PO Box 272 1192, Papakura 2244

*Disclaimer*

*This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report and Rodewald Hart Brown Ltd have not audited the report and they, their directors or employees accept no liability to any other party in relying on the information presented. The purpose of the report is to give creditors of the company an indication of the financial position of the company as at the date of appointment of the liquidators.*

*Rodewald Hart Brown Limited*