

# **Cardno Television Productions Limited (In Liquidation)**

## **Liquidators First Report**

25 July 2008

### **1. Background**

Cardno Television Productions Limited (“the company”) was placed into liquidation by order of the High Court at Rotorua dated the 18<sup>th</sup> day of June 2008 at 9.52am. Kenneth Peter Brown and Robert James Neilson, Chartered Accountants of Tauranga, were appointed as Joint and Several Liquidators of the company. We detail below the Liquidators first report, for the information of creditors of the company.

### **2. Disclaimer**

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### **3. Company Information**

Date of Incorporation:	15 January 2001
Trading Address:	Rotorua
Type of business:	Television Production Company
Date trading ceased:	18 June 2008
Shareholders:	Josephine Rita Lina Santamaria Reuben Glen Collier
Director:	Josephine Rita Lina Santamaria Reuben Glen Collier

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

The company was trading as a television production company, employing up to 8 staff. The directors of the company also had an interest in a further company, Kai Time Limited, which was trading as a restaurant in Rotorua. That company had not been profitable and funds from the liquidated company were being utilised to keep the restaurant trading. This led to the company not meeting its tax obligations and resulting in a successful petition to wind up.

There had been negotiations underway to enter into an agreement with the IRD to pay the amount due, however, this was not accepted due to the lateness and inability to pay the outstanding debt in full.

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

We attach as *Appendix I* a statement of the company's affairs as at the date of our appointment.

This information has been provided to us from the director of the company and from the company's accountants.

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

At the date of liquidation the structure of the company appeared to be of a contract labour type nature, in that it was providing services to a company Maui Productions Limited (Maui). It would appear that Maui sought and received funding to produce various shows, and Cardno was run to employ the staff and run the production of those shows. The liquidators are currently seeking legal advice over the structure of the companies in relation to possible pooling of assets of the companies. The liquidators will look at this further but it should be noted that the assets that the company was using at the time of liquidation were heavily overencumbered and it was not believed there will be any equity. Maui is not believed to have any independent assets. It would appear the only avenue of income from this company will be if Maui continues to trade, and this debt can be repaid over a period of time.

From the information provided there is a substantial loan account owed by Kai Time Limited. The liquidators have issued a claim against this company for amounts owed. At the present time there is an unconditional agreement for sale and purchase on the business and it is anticipated that the liquidators claim will realise somewhere in the vicinity of \$40,000.

Additionally the liquidators will investigate any amounts owed under shareholders current accounts. Initial indications are that there are amounts due to the company, however, we are still investigating the quantum of these.

The liquidators will conduct an investigation of the company's books and records to establish if there are any potentially voidable transactions that require investigation, potential current account issues, and ensure the directors have complied with the duties and obligations imposed on them under 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. Further reports will be issued at six monthly intervals with a final report at the conclusion of the liquidation.

## **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 or very small.

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**

If your terms of trade with the company include reservation of title of goods supplied please contact Grant Wills on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form before 30th of September 2008. If you believe that you are a secured creditor please contact this office and the appropriate forms will be sent to you.

Completion of your claim should be given your urgent attention. If creditors do not lodge a claim with the Liquidators, they are not entitled to share in any distribution to creditors that may be made by the Liquidators.

## **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 Grant Wills at our Tauranga Office.

Kenneth Peter Brown  
*Joint Liquidator*

Statement of Affairs  
Cardno Television Productions Limited (In Liquidation)  
as at 18 June 2008

	<i>Estimated to realise \$</i>
<b>Assets</b>	
Cash on hand	9,706
Debtors	130,000
Plant	35,000
Vehicles	<u>unknown</u>
	174,706
<b>Less Preferential Claims</b>	
IRD – GST	85,000
<b>Less Secured Claims</b>	136,000
<b>Deficit before Unsecured Creditors</b>	<b>(46,294)</b>
<b>Less Unsecured Creditors</b>	100,000
<b>Deficit (before costs of liquidation)</b>	<b>(146,294)</b>

*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*

List of Creditors  
Cardno Television Productions Limited (In Liquidation)

ACC  
Inland Revenue Department  
Epritah Trust