

## Classique South Island Limited (In Liquidation) trading as Classique Auto Groomers

### Liquidators' First Report

6 June 2010

#### 1. Background

Classique South Island Limited ("the company") trading as Classique Auto Groomers was placed into liquidation by special resolution of the shareholders on the 28<sup>th</sup> day of May 2010 at 4.00pm. Kenneth Peter Brown, Chartered Accountant and Paul Raymond Clark, Insolvency Practitioner, both of Tauranga were appointed as Joint and Several Liquidators of the company.

#### 2. Disclaimer

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#### 3. Company Information

Date of Incorporation: 8 January 2007

Trading Address: 21-21A Tyne Street, Christchurch

Type of business: Car grooming

Date trading ceased: 28 May 2010

Shareholders: Mark Anthony Brown  
Kim Adele Brown  
James William Geekie  
Kayelene Ann Lucas

Directors: Mark Anthony Brown  
Kim Adele Brown  
James William Geekie  
Kayelene Ann Lucas

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#### **4. Events Leading to Appointment of Liquidators**

One of the Directors of the company advised the company failed due to the loss of a contract where new vehicles were regularly serviced. As a result the market for the company changed to used vehicles, where higher operating costs and lower profit margins existed.

The shareholders contributed funds to try to turn business around, but they were unable to improve the cashflow and the decision was made to appoint Liquidators.

#### **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 by a director of the company and the Liquidators are not yet able to express an opinion on the validity of that information.

Inland Revenue Department are yet to provide a proof of debt. The Liquidators believe a debt exists, the value of which will be detailed in the next report.

Also attached as *Appendix II* is a list of known creditors as at the date of appointment.

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

The Liquidators have removed assets from the company premises for the purpose of sale, by Turners Auctions. The Directors had been trying for some months to sell the business, without success and the Liquidators felt the costs associated with continuing that process would negate any benefit that might accrue, above asset sales. An investigation will be conducted 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. Debtors of the company will be collected.

#### **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 from appointment with a final report when the liquidation is completed.

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

A Liquidator may call a meeting of creditors in order to decide whether an application should be made to the Court to appoint a replacement Liquidator.

Having regard to the assets and liabilities of the company, the likely result of the liquidation and other relevant matters, the Liquidators consider in accordance with section 245 of the Companies Act 1993 that no such meeting should be held.

A meeting will not be called unless within 10 working days after receiving this notice a creditor gives notice in writing to the Liquidators requiring a meeting to be called.

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 Steph Harborne on 07 571 6280 email [stephh@rhb.co.nz](mailto:stephh@rhb.co.nz).

Please complete and return the enclosed Unsecured Creditors Claim form by 15 July 2010 to P O Box 15660, Tauranga. If you believe that you are a secured creditor please contact our Tauranga 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 Steph Harborne at our Tauranga Office.



Kenneth Peter Brown  
*Joint Liquidator*

## *Appendix I*

### Classique South Island Limited (In Liquidation) Statement of Affairs as at the Date of the Appointment of the Liquidators being 28 May 2010

	<i>Estimated to Realise</i>
<b>Assets</b>	
Tools, Plant & Equipment	3,000
Debtors	15,000
Cash in Bank	2,632
	<hr/> 20,632
<b>Less Secured Claims</b>	
Nil	Nil
<b>Less Preferential Claims</b>	
Employee Claims	4,006
PAYE on Employee Claims	1,993
IRD – GST (estimate only)	20,000
IRD – PAYE (estimate only)	20,000
	<hr/> 45,999
<b>Deficit before Unsecured Creditors</b>	<b>\$(25,367)</b>
<b>Less Unsecured Creditors</b>	
IRD – Income Tax (penalties & interest)	TBA
IRD – GST (penalties & interest)	TBA
IRD – PAYE (penalties & interest)	TBA
Trade Creditors	11,470
	<hr/> 11,470
<b>Deficit (before costs of liquidation)</b>	<b><u>\$(36,837)</u></b>

#### *Disclaimer*

*This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report and RHB Chartered Accountants Limited 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.*

*RHB Chartered Accountants Limited*

## *Appendix II*

### Classique South Island Limited (In Liquidation) Schedule of Creditors as at 28 May 2010

Simon Chand			Christchurch
Damien Guest			Christchurch
John McDonald			Christchurch
Steve Archer			Christchurch
Mihaka Lemon			Christchurch
Leeshiea Randall			Christchurch
Accident Compensation Corporation	PO Box 4248		Wellington
Advance Supershine Products	PO Box 12642	Penrose	Auckland
Ashgrove Marketing	PO Box 1430		Christchurch
Car Clean Products NZ Limited	PO Box 22456	Otahuhu	Auckland
Contact Power	PO Box 624		Wellington
Guy Gillmin Trust	PO Box 521		Christchurch
Hydraquip NZ Limited	51 Durham Street		Christchurch
Inland Revenue Department	Private Bag		Wellington
Just Water	PO Box 92811	Penrose	Auckland
Lay Asphalt	408 Ashley Gorge Road	RD 1	Oxford
Matipo Garage	PO Box 8024		Christchurch
NZ Transport Agency	PO Box 22078		Auckland
Quality Laundry Services Limited	PO Box 24-130		Christchurch
Telecom	91 Hereford Street		Christchurch
Yellow Pages Group Limited	PO Box 17345		Auckland