

# CLC Construction Limited (In Liquidation)

## Liquidators First Report

21 March 2008

### 1. Background

CLC Construction Limited (“the company”) was placed into liquidation by order of the High Court at Rotorua on the 11<sup>th</sup> day of February 2008 at 1.00pm. Kenneth Peter Brown and Robert James Neilson, Chartered Accountants of Tauranga, was 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

*This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without written permission in each specific instance. The Liquidator does not accept any responsibility or liability for any damage or loss occasioned to any party as a result of the circulation, publication, reproduction or use of this report. In particular the Liquidator takes no responsibility for any misinformation contained therein that has been supplied by the company, its officers or any other person. The report is also based upon information available at this date, and the Liquidator therefore reserves the right to review, and if necessary, amend the report.*

### 3. Company Information

Date of Incorporation:	23 August 2002
Trading Address:	No longer trading, formerly Wanganui area
Type of business:	Roading Contractor
Date trading ceased:	December 2007
Shareholder:	Jason Theo Fletcher (100)
Director:	Jason Theo Fletcher

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

The company's business was as a roading contractor to Transit NZ in the Wanganui area. The Director advises due to other commitments he was unable to be on site to address issues as they arose. As a result mistakes were made on works in progress and money was withheld. The company began to suffer financial difficulties and a breakdown between staff and management led to the company ceasing to trade in December 2007. After this period the IRD successfully petitioned the High Court to have a liquidator appointed for unpaid taxes.

#### **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 the director and the accountant of the company and the Liquidator is not yet able to express an opinion on the validity of that information. Attached as *Appendix 2* is a list of creditors of the company known to the Liquidator as at the date of liquidation.

Due to the very limited company records in relation to the employees, the staff entitlements are yet to be determined. Some of the employees have claimed they were given company assets in lieu of unpaid wages and holiday pay. The liquidators will continue in attempting to establish the true position of the employee entitlements and the status of any company assets held by employees.

The only known debtor presently is Transit NZ. It will be some months before any amount due from Transit NZ can be quantified.

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

The Liquidators will account for any assets of value and conduct an investigation of the company's books and records to establish if there are any potentially voidable transactions that require investigation, potential shareholder current account issues and ensure the director has complied with the duties and obligations imposed on him 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.

Reports will be prepared at six monthly intervals from appointment and a final report will be issued at the conclusion of the liquidation.

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

No meeting will be held. The Liquidator dispenses 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 Liquidator 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 Liquidator. This request must be in writing.

The Liquidator 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 Paul Clark on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form before 25<sup>th</sup> of April 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 Liquidator, they are not entitled to share in any distribution to creditors that may be made by the Liquidator.

## **10. Further Information**

If you require any further information or if you have any information that will be of assistance to the Liquidator please contact Paul Clark at our Tauranga Office.

Kenneth Peter Brown  
*Joint Liquidator*

Statement of Affairs of  
CLC Construction Limited (In Liquidation)  
As at the date of the appointment of the Liquidator  
being 11<sup>th</sup> February 2008.

	<i>Estimated to realise</i>
<b>Assets</b>	
Vehicles	15,000
Computer Equipment	200
Plant	2,000
Debtors	<u>TBA</u>
	<b>17,200</b>
 <b>Less Secured Claims</b>	
Interface Financial Group	<u>95,438</u>
 <b>Less Preferential Claims</b>	
Employee Claims	TBA
Petitioning Creditors Costs	2,398
IRD – GST	20,148
IRD - Student Loan	<u>218</u>
	22,764
 <b>Deficit before Unsecured Creditors</b>	 <b>(101,002)</b>
 <b>Less Unsecured Creditors</b>	
IRD – Student Loan (penalties & interest)	87
- GST (penalties & interest)	11,641
- PAYE (penalties & interest)	2,000
Employees	TBA
Trade Creditors	<u>123,142</u>
	136,870
 <b>Deficit (before costs of liquidation)</b>	 <b>(237,872)</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 liquidator.*

*Rodewald Hart Brown Limited*

**CLC Construction Limited (In Liquidation)  
List of Creditors as at 11 February 2008**

Accident Compensation Corporation  
Aspen Court Motel  
Hireways Plant & Equipment Hire Ltd  
Inland Revenue Department  
Interface Financial Group  
James Murray  
K F Deighton Contracting Trust  
Lynda McDowell  
Rick Morris  
Vodafone  
Wairapa Concrete Ltd  
Waikato Hydroseeding Ltd