

# **D.E.M. Transport Limited (In Liquidation)**

## **Liquidators First Report**

16 November 2007

### **1. Background**

D.E.M. Transport Limited (“the company”) was placed into liquidation by order of the High Court at Rotorua on the 8th day of October 2007, at 10.41am. Kenneth Peter Brown and Thomas Lee Rodewald, 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:	12 May 2005
Trading Address:	Rotorua
Type of business:	Cartage Contractors
Date trading ceased:	March 07
Shareholders:	Michelle Louise Wi-Neera
Directors:	Michelle Louise Wi-Neera Delson Leigh Wickliffe

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

The Directors of the company have advised the reason for the failure of the company is due to non completion and filing of GST and PAYE returns, by the previous director Delson Wickliffe. This led to the financial position of the company not being able to be properly ascertained. When Ms Wi-Neera became involved with the bookwork side of the business she sought accounting advice and was advised that the company was insolvent and could not trade. She ceased and arranged for a new company to be set up to operate the sole cartage contract the company was operating. The assets were valued and an agreement entered into to purchase these.

#### **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 the limited information available to us and the Liquidators are not yet able to express an opinion on the validity of that information.

The Liquidators are yet to receive records from the director.

#### **6. Analysis of Statement of Affairs**

The Liquidators will examine the sale of the business and the value of the sale and ensure that all funds have been received by the company. The vehicle has a security interest registered against it. The Liquidators have included this vehicle in the statement of affairs as although it was purportedly part of the sale of the business, the debt is still in the company's name.

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

When the company records are received 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, any shareholder current account issues, and ensure the directors have complied with the duties and obligations imposed on them under the Companies Act 1993.

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

It is not practical to estimate the date of completion of the liquidation at this stage.

The Liquidators give notice under section 255(5) of the Companies Act 1993 that no further reports will be issued.

#### **9. 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.

#### **10. Creditors Claims**

Please complete and return the enclosed Unsecured Creditors Claim form by 20 February 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.

#### **11. Further Information**

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

Kenneth Peter Brown  
*Joint Liquidator*

Statement of Affairs of  
D.E.M. Transport Limited (In Liquidation)  
As at the date of the appointment of the Liquidators  
being 8<sup>th</sup> October 2007.

	<i>Estimated to realise</i>
<b>Assets</b>	
Van	10,000
Sale of business	<u>10,000</u>
	<b>20,000</b>
<b>Less Secured Claims</b>	<u>15,925</u>
	4,075
<b>Less Preferential Claims</b>	
IRD - GST	32,500
IRD - PAYE	<u>18,900</u>
	51,400
<b>Deficit before Unsecured Creditors</b>	<b>(47,325)</b>
<b>Less Unsecured Creditors</b>	
Trade Creditors	<u>10,405</u>
<b>Deficit (before costs of liquidation)</b>	<b>(57,730)</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*