

## Easy Mind Limited (In Liquidation)

### Liquidators' Fourth Report

2 August 2011

#### 1. Background

On the 8<sup>th</sup> day of January 2010 at 3.13pm Thomas Lee Rodewald and Robert James Neilson were appointed Joint and several Liquidators of the above company by resolution of the shareholders.

The appointment arose after the company failed to make payments to creditors on Wednesday 6<sup>th</sup> January 2010 and was unsuccessful in arranging further funding over the next two days.

#### 2. Disclaimer

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#### 3. Company Information

Date of Incorporation: 27 August 2003

Shareholders: Clare Adrienne Grace (50)  
Frederick Cornelius Grace (50)

Directors: Clare Adrienne Grace  
Frederick Cornelius Grace

Type of business: Home based Childcare

Registered Office: 91c Whitikahu Road, Gordonton, RD1, Taupiri 3791

Location of Business: Waikato, Coromandel, Hawkes Bay, Manawatu, Southland and Otago.

#### RHB Chartered Accountants Limited

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Level 1 The Hub  
525 Cameron Road  
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#### **4. Conduct of the Liquidation since the last report**

##### **Debtors**

As advised in the Liquidators 3<sup>rd</sup> report the debtor's ledger was assigned to Blackbird Finance Limited. The majority of debtors have been collected, it is estimated final collection will be made in the current month.

##### **Collection of further assets**

There are no further EML assets to be sold. Final recovery has been made from the collection and disposal of assets.

#### **5. Further Action to be Taken and Likelihood of a Distribution**

##### **Recovery of Funds from F & C Grace and the Early Childhood Education Trust "ECET"**

Due to the limited equity and unlikely recovery from F & C Grace and the Early Childhood Education Trust a commercial decision as made to not pursue these debts any further.

##### **Likelihood of Distribution**

It is the Liquidators view that there is unlikely to be any dividend payment made to unsecured creditors.

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

The Liquidation will be finalised prior to the next report anniversary.

#### **7. Creditors**

Attached as Appendix I is a list of the creditors as at 8 July 2011.

#### **8. Receipts and Payments**

Attached as *Appendix 11* is a receipts and payments summary from 8 January 2010 to 8 July 2011.

**9. Further Information**

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Blair Millar at our Tauranga office.



Thomas Lee Rodewald

*Joint Liquidator*

*Appendix I*

**Easy Mind Limited (In Liquidation)**

**Updated Creditors Statement as at 8 July 2011**

**Schedule of Creditors**

		<i>As at 2 March 2011</i>	<i>Estimates at date of Liquidation (Note 1)</i>
<b>Secured Claims</b>			
Secured Creditors	<i>Note 2</i>	424,043	1,891,580
		<hr/>	<hr/>
		\$424,023	\$1,891,580
<b>Preferential Claims</b>			
Employee Wages and holiday pay		109,432	109,432
Inland Revenue Department		367,040	685,938
		<hr/>	<hr/>
		476,472	\$795,370
<b>Unsecured Creditors</b>			
Educators Payments		57,928	135,000
Parent Pre-payments		30,744	136,257
Ministry of Education – Pre Payments		559,909	482,327
IRD Penalties		34,619	35,000
Trade Creditors		325,601	160,000
		<hr/>	<hr/>
		\$1,008,801	\$948,584
<b>TOTAL CREDITORS</b>		<hr/>	<hr/>
		<b>\$1,909,296</b>	<b>\$3,635,534</b>

**Creditors Commentary**

**Note 1** The creditor figures included as at date of Liquidation were estimates.

**Note 2**

The reduction in the secured creditor figure is due to the allocation of proceeds from the sale of vehicles and property to satisfy the debts of charge holders and mortgage holders.

Payments made to Specific Security Holders were as follows;

- Finance Companies \$278,186
- ANZ National Bank Limited \$967,793

**Easy Mind Limited (In Liquidation)****Receipts and Payments from 08/01/2010 to 08/07/2011**

GST Exclusive

\$

**Receipts**

Debtors	25,256	
Electricity	54	
Funds on hand pre receivership	191	
GST on Income	212,881	
Insurance refund	368	
Interest received	531	
Rates portion on sale	1,270	
Rent	6,105	
Sale of assets	19,795	
Sale of business	126,865	
Sale of properties	1,096,866	
Sale of vehicles	303,834	
Sundry income	5,521	
Trading sales	66,292	
		<hr/>
		1,865,829

**Payments**

Advertising	2,051
Body corporate levies	5,104
Commission on sale of assets	36,025
Computer Expenses	834
Consultancy	16,987
GST Refund (IRD)	78,457
GST on Expenses	40,787
GST paid	57,668
Insurance	1,504
Legal fees	30,086
Liquidators fees	200,967
PAYE paid	13,091
Postage/Courier Fees	168
RWT on Interest	131
Rates	8,073

Security	1,049	
Specific Security Holder - ANZ National	967,794	
Specific Security Holder - Finance Companies	278,186	
Stationery	170	
Storage and Rubbish removal	1,790	
Telephone	6,638	
Transport costs	328	
Valuation	5,990	
Wages	111,600	
		1,865,478
<b>Net Funds</b>		<b>\$ 350</b>

#### Receipts and Payments Commentary

**Note 1** Sundry income was received from the purchasers of the EML networks as reimbursements for costs incurred by the Liquidators in the handover process after the date the networks were transferred over to the new owners.