

## Ellis Logging Limited (In Liquidation)

### Liquidators First Report

16 January 2009.

#### 1. Background

Ellis Logging Limited ("the company") was placed into liquidation by order of the High Court at Rotorua on the 8th day of December 2008, at 11:18 am. Thomas Lee Rodewald and Kenneth Peter Brown, Chartered Accountants of Tauranga were appointed as Joint and Several Liquidators 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 Liquidators do 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 Liquidators take 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 Liquidators therefore reserve the right to review, and if necessary, amend the report.*

#### 3. Company Information

Date of Incorporation: 15 September 1998

Trading Address: Whangarei

Type of business: Logging Contractor

Date trading ceased: August 2008

Shareholders: ELLIS, Graeme Herbert  
ELLIS, Moetu Myrtle

Directors: ELLIS, Graeme Herbert

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

The Company has been trading in the logging industry latterly in the Whangarei area. The company was the operational arm of a log hauling, clearing operation, contracting with various parties. The assets of the operation are owned by the partnership of G E and M M Ellis.

The directors of the company have advised the reason for the failure of the company due to issues in relation to payments on one of their contracts which the company then ceased in mid August of 2008. The resultant loss of income led to the company being unable to meet its commitments and resulted in the company being placed into liquidation.

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

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 will be pursuing further information from the directors and accountants of the company in relation to the affairs of the company. Some records have been received from the accountants, and they have confirmed they will provide us with any further information they hold.

The director believes there is an amount owed from the disputed contract they were working on and the Liquidators will follow this up, but we are unable to comment any further at this point in time.

When records are received the liquidators will look to investigate any amounts owed under the shareholders current accounts and take appropriate action on the results of that investigation.

Further the Liquidators will look to establish if there are any potentially voidable transactions that require investigation, 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. Further reports will be issued at six monthly intervals if the Liquidation is not completed or a final report will be issued on completion.

#### **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**

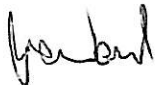
If your terms of trade with the company include reservation of title of goods supplied please contact Stephen Wheeler on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form by 28 February 2009 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 Stephen Wheeler at our Tauranga Office.



Thomas Lee Rodewald  
*Joint Liquidator*

*Appendix I*  
 Ellis Logging Limited (In Liquidation)  
 Statement of Affairs  
 as at the 8th December 2008.

	<i>Estimated to realise</i>
<b>Assets</b>	
Unknown Debtors	Unknown
	Unknown
 <b>Less Secured Claims</b>	 Nil
 <b>Less Preferential Claims</b>	
Preferential Creditor Costs	\$ 2,772
IRD	\$120,105
 <b>Deficit before Unsecured Creditors</b>	 <b>(\$122,877)</b>
 <b>Less Unsecured Creditors</b>	
IRD	\$ 31,283
Trade Creditors	\$ 29,349
 <b>Deficit (before costs of liquidation)</b>	 <b>(\$183,509)</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*

*Appendix II*  
Ellis Logging Limited (In Liquidation)  
Schedule of Creditors as at 8 December 2008

Commissioner Inland Revenue	P O Box 2234	Rotorua
Accident Compensation Corporation	P O Box 3248	Wellington
Eagle Spares	P O Box 10164	Hamilton