

L J L Limited (In Liquidation)
No. 1909835

Liquidators First Report

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Section 255 of the Companies Act 1993

L J L Ltd (In Liquidation) was placed into liquidation by special resolution on the 16 December 2010 at 10:00 am. Nicholas John Hayes was appointed as the Liquidator.

The liquidators take no responsibility for any misinformation that this report contains that was supplied by either the company, its officers or any other person.

Company Information

Date of Incorporation	16 February 2007
Registered Office	C/- Peter Barker Accountants, 723 Pollen Street, Thames
Shareholders	Jamie McCulloch, 1939 309 Road, RD1, Whitianga 500 Shares Ellen McCulloch, 1939 309 Road, RD1, Whitianga 500 Shares
Directors	Jamie McCulloch

Reasons for Failure

The downturn in the logging industry, along with high running costs and large debts have made the company untenable to continue operating.

Directors Obligations

The Companies Act 1993 requires that a director should not agree to or cause or allow the business of the company to be carried out in a manner which is 'likely to create a substantial risk of serious loss to the company's creditors'.

The director must exercise due care, skill and diligence that a reasonable director would exercise in the same circumstances.

During the course of the liquidation, the Liquidator will investigate the actions of the director to ascertain whether they have complied with their obligations set upon them by the Companies Act 1993.

Proper Books and Records

The directors must ensure that proper books and records are maintained according to standards and specifications set out by the Companies Act 1993.

The Liquidator will view these books and records to make sure that they are up to the standards and specifications set out by the Companies Act 1993.

Voidable Transactions

The Liquidator will review any transactions, dispositions or securities which have taken place within the timeframe specified by the Companies Act 1993. These transactions may be made void on the application of the Liquidator.

Investigation Undertaken by the Liquidator

The Liquidator has the principal duty of realising and distributing the assets of the company and of reporting to creditors and the Registrar of Companies.

To enable this duty to be completed appropriately the Liquidator will carry out any investigations that are deemed necessary. These may include:

- * Location and examination of any trust accounts
- * Collection and examination of the company's legal and financial documents
- * Interviews with directors, creditors, former employees, shareholders and any other party who has information about the company
- * Examination of any electronic information
- * Location and examination of bank accounts, notes, correspondence and related information
- * Review debtor and creditor accounts and correspondence
- * Examination of unusual transactions or those which had a preferential effect on the company
- * Calculate and investigate any legal claims to the benefit of the company

Financial Position of Company

The affairs of the company are unknown at this stage as I am still awaiting documents which will enable me to ascertain the position.

Known Creditors

At this date the following Creditors are known:

ACC, PO Box 795, Wellington, 6140
Allied Nationwide Finance Limited, PO Box 1888, Auckland
IRD, PO Box 1649, Whangarei

Estimated Completion Date

Within 12 months.

Prospect of a Dividend

At this stage it is not expected a dividend will be made.

Notice Regarding Meetings

A Liquidator may call a meeting of creditors in order to decide whether an application should be made to the court to replace the current Liquidator.

Having regard to the assets and liabilities of the company, the likely result of the Liquidation and other matters, the Liquidator considers in accordance with section 245 of the Companies Act 1993 that no such meeting should occur.

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

In accordance with section 314 of the Companies Act 1993 a creditor or shareholder may at any in the course of the liquidation request that a meeting of creditors or shareholders 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 the request by the shareholder or creditor to call a meeting on the grounds that:

The request is frivolous or vexatious; or

The request was not made in good faith; or

The costs of calling the meeting would be out of proportion to the company's assets.

The decision the decline the request can be reviewed by a Court on the request of a shareholder or creditor.

Future Reporting

The Liquidator will report to creditors bi-annually regarding the progress of the liquidation. Any enquiries can be made to the liquidator during normal office hours.

Dated this
17th day of December 2010

NJ Hayes

Liquidator