

5 December 2008

**FIRST REPORT OF THE LIQUIDATORS  
TO CREDITORS AND MEMBERS OF  
GARLANDS FURNISHING SPECIALISTS LIMITED (IN LIQUIDATION)**

**INTRODUCTION**

We advise that Garlands Furnishing Specialists Limited (In Liquidation) ("the company") was placed into liquidation on 25<sup>th</sup> November 2008 at 2.00pm by a special resolution of shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act"). Gareth Russel Hoole and Kevin David Pitfield were appointed joint and several liquidators of the company at that time.

**RESTRICTIONS**

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose without the liquidators' written permission in each specific instance. The liquidators, Staples Rodway Limited, its employees and agents do not assume any responsibility or liability for any losses occasioned to any party for any reason including as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

The liquidators reserve the right (but will be under no obligation) to review this report and, if considered necessary, to revise the report in light of any information existing at the date of this report which becomes known to us after that date.

**BACKGROUND AND STATEMENT OF POSITION**

**Directors and Shareholders**

On the date of the appointment of the liquidators the records of the company reflected the following:

Directors: Trevor John Garforth  
Wayne Eric Hammond

Shareholders: Trevor John Garforth  
Wayne Eric Hammond

## **History**

The company was incorporated as Garlands Furnishing Specialists Limited on 21<sup>st</sup> March 2003. The principal business of the company was that of furniture.

The liquidators understand that the company experienced cash flow difficulties for some months prior to the appointment of the liquidators. These cash flow difficulties were compounded by the sales volume deteriorating to a level that rendered the business not sustainable. Despite efforts of downsizing from 351 Remuera Road into a smaller premises at 347 Remuera Road in an attempt to operate within the company's current economic means, the cash flow constraints prevailed, preventing the company from meeting its debts as they fell due. Accordingly the shareholders deemed it prudent to put the company into liquidation.

## **Actions Taken To Date**

The liquidators and their representatives attended the premises of the company at 347 Remuera Road on the afternoon of our appointment. The premises were secured and rights of entry were restricted.

We have established that the company has assets in the form furniture, a motor vehicle, accounts receivables and fixtures and fittings.

The motor vehicle appears to be subject to a finance lease and the liquidators have disclaimed this item to avoid further costs to the company and its creditors.

## **Statement of Position**

Attached by way of Appendix 1 is the Statement of Position of the company as at 25 November 2008, as advised by the management of the company. The information contained in the attached statement of position was provided by the management of the company and, as yet, has not been investigated by the liquidators. It is possible that subsequent investigation could result in a revision of the information thus presented.

## **Securities and Charges**

A search of the Personal Property Securities Register has revealed several registered security interests. The liquidators have established that the secured parties hold Purchase Money Security Interests over equipment and/or supplies which have since been collected by the secured parties.

Apart from creditors designated as preferential in terms of the Seventh Schedule of the Companies Act 1993 and the secured creditors referred to above, all other creditors of the company will rank as unsecured.

## **PROPOSALS FOR THE CONDUCT OF THE LIQUIDATION**

Investigations into the existence and whereabouts of any assets not identified at the date of this report will be undertaken.

The liquidators have engaged two independent auctioneers to sell the assets of the company.

The company has several debtor balances to be collected. The liquidators will pursue outstanding debtors using all available legal remedies.

The liquidators will write to customers of the company who have paid deposits and will thus stand as unsecured creditors where practicable the liquidators will provide details of the supplier or manufacturer with whom orders to complete such jobs have been lodged, such that these customers may complete their order directly with the supplier or manufacturer.

The liquidators will review disbursements made by the company in the period beginning on 25 November 2006 through to their appointment for purposes of determining whether any such transactions can be considered voidable within the ambit of Section 292 of the Companies Act 1993.

From the records made available to the liquidators, at the time of appointment the company was prima facie insolvent. At this time we have not been able to determine how long the company traded under insolvent circumstances, if at all. However, we will conduct the appropriate investigation in this regard and report our findings to the Registrar of Companies as considered necessary. The liquidators will pursue appropriate action against the directors to the extent considered economically beneficial if evidence exists to support such action.

## **CREDITORS' MEETING**

The liquidators advise that a meeting of creditors will be held at Level 9, Tower Centre, 45 Queen Street, Auckland on Friday, 12<sup>th</sup> December 2008 at 10.00am.

## **UNSECURED CREDITORS CLAIM FORM**

A creditor's claim form is enclosed for your convenience. We request that this be completed and returned to our office together with supporting documentation to register your claim in this liquidation by 24 December 2008.

If you believe that you hold security for your claim please advise us, in writing, providing supporting documentation and all other details of the nature of the security you believe you hold.

## **ESTIMATED DATE OF COMPLETION OF LIQUIDATION**

Subject to any unforeseen matters arising from the investigation of the company's affairs and the timeframe associated with the collection of receivables we tentatively estimate that this liquidation will be completed within the next six months.

Please note that subsequent reports prepared by the liquidators will not be mailed to the creditors and members of the company, but will be available on the New Zealand Companies Office and Staples Rodway websites.

Should you have any queries regarding the liquidation of the company, please do not hesitate to contact George Bannerman at the office of the liquidators on telephone 309 0463, extension 856.



.....  
Gareth Russel Hoole  
JOINT LIQUIDATOR



.....  
Kevin David Pitfield  
JOINT LIQUIDATOR

**APPENDIX I**

**GARLANDS FURNISHING SPECIALISTS LIMITED (In Liquidation)  
STATEMENT OF POSITION AS AT 25 NOVEMBER 2008 (Date of Appointment)**

<b>Assets</b>	Book Value	Estimated Realisable Value
Debtors	13,000	1
Stock - Furniture	50,000	2
Motor Vehicle	25,000	
Fixtures & Fittings	5,000	2
<b>TOTAL ASSETS</b>	93,000	
 <b>Liabilities</b>		
Secured Creditors	34,000	
Preferential Creditors	21,000	
Unsecured Creditors	800,000	
<b>TOTAL LIABILITIES</b>	855,000	
<b>DEFICIT: LIABILITIES OVER ASSETS</b>	(762,000)	

1. The liquidators will pursue all debtors to the fullest extent provided by the law
2. The liquidators await valuations of stock and furniture and fittings. As is usual with forced sales, we expect the realisable value of some of these items to be as much as 70% less than the book value.

**APPENDIX II**

**GARLANDS FURNISHING SPECIALISTS LIMITED (In Liquidation)  
 CREDITORS LISTING AS AT 25 NOVEMBER 2008**

<u>Name</u>		<u>Address</u>	
Accident Compensation Corporation	PO Box 38-023	Te Puni	Wellington
Actron Fire Services	101 Beaumont St		Auckland
Affinity Designware Ltd	PO Box 25-859	St Heliers	Auckland
AFM Downia	PO Box 47-138	Ponsoby	Auckland
Alison's Acquistions	390 Parnell Road	Parnell	Auckland
Amberlene Accessories Ltd	7 Trugood Drive	East Tamaki	Auckland
Andaru Interior Limited	PO Box 31-379	Milford	Auckland
Andrews Soft Furnishings Ltd	PO Box 84-094	Westgate	Auckland
Atelier Textiles Ltd	PO Box 5017	Wellesley Street	Auckland
Blanchetts Ltd	PO Box 9087	Terrace End	Palmerston North
Blue Lizard Ltd	PO Box 527		Wellington
BP Oil New Zealand	PO Box 892		Wellington
Castle Trimmings Australia P/L	Unit 29, 17-21 Bowden St	Alexandria	NSW, Australia
Catlor Marketing Ltd	PO Box 90-593	AMSC	Auckland
Charles Parsons(NZ) Limited	PO Box 38	Auckland Central	Auckland
Classique Furniture Ltd	c/- Scottish Pacific	PO Box 106-047	Auckland
Coats Industrial	PO Box 580 447	Greenmount	Auckland
Crowson Fabrics(NZ)ltd	PO Box 1303		Auckland
David Shaw Limited	PO Box 7247		Christchurch
Domestic Textile Corporation Pty Ltd	PO Box 334-039	Sunnynook	Auckland
Enviro Clean & Restoration	Unit I – 35 Maurice Road	Penrose	Auckland
Eunice Taylor Limited(NZ)	18 Honan Place	Avondale	Auckland
Filigree Textiles Pty Ltd	PO Box 45	Albany	Auckland
Fitzroy Manufacturing Timeless	PO Box 39-146		Christchurch
Fujivision Ltd	PO Box 16 281	Sandringham	Auckland
Furtex Limited	PO Box 540	Pukekohe	
GABA	PO Box 3092		Auckland
Glass Art	12 Laurelwood Ave	Pukekohe	
Graphics 80	PO Box 46-047	Herne Bay	Auckland
Hannah Textiles	PO Box 22-782		Christchurch
Heirloom Wholesale Furniture	PO Box 892		Tauranga
Hoad Home Fashion Pty Ltd	25 Trent St	Burwood	Victoria, Australia
I Redelman & Son (NZ) Pty Ltd	19 Falcon Street	Parnell	Auckland
Icon Textiles Ltd	PO Box 9832	Newmarket	Auckland
Impassion Limited	5A Hunters Park Drive	Three Kings	Auckland
Interforwarding International	39d Renie Drive	Airport Oaks	Manukau City
Isherwood Associates Ltd	3/26 Grande Vue Drive	Manurewa	Auckland
Italian Auto Centre Ltd	PO Box 22-882	Otahuhu	
J & J Imports Limited	PO Box 76 665	Wiri	Manukau City
Jae Services West Auck Ltd	Unit N, 13 Ryan Place		Manukau City
James DunlopTextiles	PO Box 9576	Newmarket	Auckland
Jill Tuck	PO Box 31-012	Milford	Auckland
Jonglea Pty Limited	PO Box 31-588	Milford	Auckland
KA International	PO Box 302-523	North Harbour	Auckland
Kerridge Mirrors Ltd	PO Box 1084		Levin
Linens Unlimited	PO Box 31-588	Milford	Auckland
Mastrac Bay of Plenty	7 Chestnut Way		Tauranga

Malcolm Fabrics Ltd	PO Box 5460	Papanui	Christchurch
Manukau Knitting Mills	PO Box 38-427	Howick	Auckland
Martec Distribution	PO Box 19-588		Christchurch
Matrix Security	PO Box 62-669	Kalmia St	Auckland
Maurice Kain Textiles Ltd	PO Box 137970	Parnell	Auckland
Maxsim Fabrics	PO Box 128-160	Remuera	Auckland
Mayfield Lamps Pty Ltd	70 Batesford Road	Chadstone	Victoria, Australia
Mayne Automotive	PO Box 13-901	Onehunga	
Mercury Energy	Private Bag 92008		Auckland
Michael's Upholstery Service	33 Garnet Road	Westmere	Auckland
Michael Joyce Limited	PO Box 5182		Auckland
Modern Chair Co Ltd	238 Richardson Road	Mt Roskill	Auckland
Modern Trend Limited	PO Box 5261		Christchurch
Molesworths Limited	PO Box 9763		Wellington
Murphy Imports Ltd	PO Box 34-472	Birkenhead	Auckland
New Zealand Window Shades Ltd	PO Box 12-785	Penrose	Auckland
Paper Plus	343 Remuera Road		Auckland
Paul & Diane Chaney Family Trust	2 Weka Street	Fendalton	
PBT Couriers	PO Box 12-732	Penrose	Auckland
PGNZ Wholesale			
Pivo Ltd			
Proad Products Ltd			
Quantum Link	80 Golf Road	Titirangi	Auckland
R A Burt & Co Ltd	PO Box 5062	Terrace End	Palmerston North
Rajita Malaviya			
Receivables Management (NZ) Ltd			
Remuera Business Association	PO Box 28 139	Remuera	Auckland
Roylston House	PO Box 46-010	Herne Bay	Auckland
Sarsfield Brooke Ltd	92 Sarsfield Street	Herne Bay	Auckland
Saywell Distributors Ltd	Unit 3, 99 Carbine Road	Mt Wellington	Auckland
Seneca Ltd	PO Box 37-702	Parnell	Auckland
Shutters by Design			
Signs Unlimited	PO Box 123		Waiwera
Sim Wallcoverings Ltd	PO Box 46-018	Herne Bay	Auckland
Slender Morris Pty Ltd	3/890 Bourke St	Waterloo	NSW, Australia
Starr Marketing			
Sue Ford Signs	242A Marua Road	Ellerslie	Auckland
Sullivans Enterprises (NZ) Ltd	PO Box 58-104	Greenmount	Auckland
Sunproof Blinds Ltd	6 Shaddock Street	Mt Eden	Auckland
Telecom NZ Ltd	Freepost 10053, Private Bag		Auckland
Telstra Clear Limited	Private Bag 92027		Auckland
Textilia Limited	PO Box 37-378	Parnell	Auckland
The Little Import Company Ltd	PO Box 17-199	Greenlane	Auckland
The Radio Network	54 Cook Street	Howick	Auckland
Topline Custom Rugs Ltd	PO Box 6095	Upper Riccarton	Christchurch
Trabeth Textiles	874 Burwood Highway	Frentree Gully	Victoria, Australia
Trendy Mirrors Limited	PO Box 9198	Addington	Christchurch
Trimtex New Zealand Ltd	PO Box 75-381	Manurewa	Auckland
Vanda Holdings Ltd	240 Marua Road	Ellerslie	Auckland
Villa Textiles Ltd	PO Box 15419		Tauranga
Vodafone	PO Box 90112		Auckland
Warwick Fabrics Ltd		North Shore Mail	
	PO Box 100-721	Center	Auckland
Westbury Textiles	PO Box 9495	Newmarket	Auckland