

20 October 2008

**FIRST REPORT OF THE LIQUIDATORS  
TO CREDITORS AND MEMBERS OF  
JAAS MOTOR BODIES LIMITED (In Liquidation)**

**INTRODUCTION**

JAAS Motor Bodies Limited (In Liquidation) ("the company") was placed into liquidation on 13 October 2008 at 8.30 a.m. 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**

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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:

Shareholders: John Andrew Forrest  
Anne Stewart Brooks

Directors: John Andrew Forrest  
Anne Stewart Brooks

**History**

The company was incorporated as JAAS Motor Bodies Limited on 26 April 2006.

The principal business of the company was that of building trucks, including fire engines for the New Zealand Fire Service. The company traded from Penrose.

An unforeseeable incident caused substantial fire damage to the business premises and the insurance proceeds did not cover the full extent of damage. The shortfall in the insurance proceeds equated to the shortfall due to the trade creditors of the company. That incident and its adverse financial ramifications has seriously impaired the business resulting in cash flow difficulties.

Prior to the company going into liquidation, a proposed offer of compromise was submitted to the creditors. The compromise was dependent on the New Zealand Fire Service agreeing to the company to continue manufacturing fire engines. Subsequent to the compromise being submitted to creditors for their consideration, the New Zealand Fire Service terminated their contract and the shareholders deemed it prudent to put the company into liquidation.

The liquidators are investigating the affairs of the company with particular attention to the actions of the directors up to date of liquidation. Pursuant to Section 258A the liquidators will report any offences to the Registrar of Companies.

### **Actions Taken To Date**

The liquidators and their representatives attended the premises of the company shortly after their appointment. The premises were secured and rights of entry were restricted.

The liquidators have established that the company has assets in the form of receivables, motor vehicles, furniture & fittings, office equipment and plant & equipment.

An independent registered valuer has been engaged to provide a current market value of the assets.

### **Statement of Position**

Attached by way of Appendix 1 is the Statement of Position of the company as at 13 October 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 numerous registered security interests, including a priority ranking General Security Agreement (GSA) in favour of the ANZ National Bank. Certain other parties have perfected Purchase Money Security Interests over specific assets. Those parties may enjoy a priority claim ahead of the GSA holder.

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 owned or available to the company will be undertaken.

The liquidators will initially seek to sell the business assets in their entirety. To this end, discussions have been initiated with potential purchasers. In the event that the liquidators do not achieve such a sale, the assets will be sold piecemeal.

The company has a number of receivable balances which require collection. The liquidators will pursue outstanding debtors using all available legal remedies.

The liquidators will review disbursements made by the company in the period beginning on 13 October 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 the liquidators have not been able to determine how long the company traded under insolvent circumstances, if at all. However, they will conduct the appropriate investigation in this regard and report their 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, 24<sup>th</sup> October 2008 at 10.30am.

## **UNSECURED CREDITORS CLAIM FORM**

An unsecured creditor's claim form is enclosed for your convenience. The liquidators request that this be completed and returned to our office together with supporting documentation to register your claim in this liquidation by 13<sup>th</sup> November 2008.

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

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

Bearing in mind the nature of the investigation of the company's affairs and the timeframe associated with the collection of receivables the liquidators tentatively estimate that this liquidation will be completed within the next four months.

Please note that any further reports prepared by the liquidators subsequent will not be mailed to the creditors and members of the company, however 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

**JAAS MOTOR BODIES LIMITED (In Liquidation)**  
**STATEMENT OF POSITION AS AT 13 OCTOBER 2008**

**Assets**

Debtors	55,703	<i>Note 1</i>
Plant, office equipment and furniture & fittings		
	<i>Book Value</i> <u>165,000</u>	<i>Note 2 &amp; 3</i>
<b>TOTAL ASSETS</b>		<b>220,703</b>

**Liabilities**

Secured Creditors	240,000	
Preferential Creditors	103,000	
Unsecured Creditors	<u>467,000</u>	<i>Note 4</i>
<b>TOTAL LIABILITIES</b>		<b>810,000</b>
<b>DEFICIT: LIABILITIES OVER ASSETS</b>		<b><u>589,297</u></b>

*Notes*

1. Debtors will be pursued to the full extent of the law and be realised in the most efficient manner possible.
2. The liquidators are not prepared to disclose estimated proceeds of sale of assets at this stage as disclosure may prejudice the quantum of realisations.
3. The liquidators await valuations of the plant, office equipment 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.
4. This figure represents trade creditors only.

## APPENDIX II

### JAAS MOTOR BODIES LIMITED (In Liquidation) CREDITORS LISTING AS AT 13 OCTOBER 2008

A1 Gas Strut Services	PO Box 85070	Harris Road	AUCKLAND
Accident Compensation Corporation	Business Service Centre	PO Box 795	WELLINGTON
Allied Publications Ltd	PO Box 112 062	Penrose	AUCKLAND
Alu - Tech Vehicle & Marine Windows 2007 Ltd	PO Box 58905	Greenmount	MANUKAU
Ancra New Zealand Ltd	PO Box 12675	Penrose	AUCKLAND
ANZ National Bank	PO Box 2218	DX: CX 10027	AUCKLAND
Appetite for Furniture & Design Ltd	PO Box 19156	Avondale	AUCKLAND
ASCOMation (NZ) Ltd	PO Box 631	Brookvale, NSW	AUSTRALIA
Auckland Chamber of Commerce	PO Box 47	Shortland Street South Auckland Mail	AUCKLAND
Beatty's Driveshaft Centre	PO Box 97410	Centre	MANUKAU CITY
Bondor New Zealand	PO Box 11169	Ellerslie	MANUKAU
Bondor New Zealand	PO Box 11-169	Ellerslie	AUCKLAND
Capital Press Ltd	PO Box 13208	Onehunga South Auckland Mail	AUCKLAND
CDL Autoparts Ltd	PO Box 97146	Centre	AUCKLAND
David J Brown & Associates	PO Box 112230	Penrose	AUCKLAND
David J Brown and Associates	PO Box 60186	Titirangi	WAITAKERE
Fletcher Easysteel	Private Bag 92803	Penrose	AUCKLAND
Fletcher Steel Limited	Private Bag 92058	Auckland	
Freeman Signs Ltd	PO Box 22 299	Otahuhu	AUCKLAND
Gavan Products Ltd	10 Caerphilly Place	Hillsborough	CHRISTCHURCH
General Motors Acceptance Corporation (NZ) Ltd	Private Bag 11910	Ellerslie	AUCKLAND
Glenn Craig Motors (05) Limited	PO Box 97016	Manukau City	MANUKAU
Global Welding Supplies Ltd	PO Box 84107	Westgate	WAITAKERE
Gunnersons Ltd	PO Box 19047	Avondale	AUCKLAND
Hesketh Henry	Private Bag 92093	Auckland Mail Centre	AUCKLAND
HIAB New Zealand Ltd	PO Box 12952	Penrose	AUCKLAND
Hydraulink Fluid Connectors Ltd	PO Box 12826	Penrose	AUCKLAND NORTH SHORE
Hylton Parker Fasteners	PO Box 65277	Mairangi Bay	CITY
Independent Truck Spray Ltd	PO Box 721518		PAPAKURA
Joll Auto Electrical Ltd	PO Box 85072	Harris Road, Mt Wellington North Shore Mail	AUCKLAND
Key one locksmithing Services Ltd	PO Box 101-089	Centre	NORTH SHORE
Korff Associates Ltd	PO Box 0063	Titirangi South Auckland Mail	WAITAKERE
Manukau Electric Ltd	PO Box 98962	Centre	MANUKAU
Mercury Energy	Private Bag 92008	Victoria Street West	AUCKLAND
Morris Sheetmetal Works Ltd.	151 Captain Springs Road	Onehunga South Auckland Mail	AUCKLAND
Nalco, National Aluminium Ltd	PO Box 98444	Centre	MANUKAU
New Zealand Fire Service Commission	PO Box 2133	Wellington	
NZ Tipping Systems Ltd	PO Box 2422	South Dunedin	DUNEDIN
Pinepac Group	2-6 Airport Road	WHENUAPAI	AUCKLAND

Plytech International Ltd	PO Box 51603	Pakuranga	MANUKAU
Powerpac Tools Ltd	PO Box 50 522	Poirua	WELLINGTON
Protective Paints	PO Box 58 152	Greenmount	MANUKAU
Pryors Apparelmaster	PO Box 72179		PAPAKURA
R & B Aluminium Limited	PO Box 13130	Onehunga	AUCKLAND
R & M Automotive	PO Box 15835	New Lynn	WAITAKERE
Resene Santano Limited	PO Box 62282	Mt Wellington	AUCKLAND
Rubbermark Industries Ltd	PO Box 76273	Manukau City	MANUKAU
Safety Step Auckland	PO Box 101031	North Shore Mail Centre	NORTH SHORE CITY
Sheppard Industries Ltd	PO Box 62067	Mt Wellington	AUCKLAND NORTH SHORE CITY
Sigma Signs / Final Stripe Ltd	PO Box 40594	Glenfield	CITY
Simmonds Lumber (NZ) Ltd	PO Box 58671	Greenmount	MANUKAU
Simon Geertsema Ltd	PO Box 100528	North Shore Mail Centre	NORTH SHORE CITY NORTH SHORE CITY
Softsource Ltd	PO Box 301021	Albany	CITY
Southpac Trucks Ltd	PO Box 76463	Manukau City	MANUKAU
Structurflex Ltd	Private Bag 93113	Henderson	WAITAKERE
Sulco Ltd	PO Box 98845	South Auckland Mail Centre	MANUKAU
SupaGas Holdings Ltd.	PO Box 76351	Manukau City	MANUKAU
Swanson Transport Ltd	PO Box 95050	Swanson	WAITAKERE
Telecom New Zealand Ltd	Freepost 10043	Private Bag 4742	CHRISTCHURCH
TelstraClear Ltd	Private Bag 92027	Auckland Mail Centre	AUCKLAND NORTH SHORE CITY
TMB Tradesman Motorbodies 2000 Ltd	Unit 6, 95 Ellice Road	Glenfield	CITY
Transpecs	PO Box 9871	South Auckland Mail Centre	AUCKLAND
Transport Specialties Ltd	PO Box 98971	SAMC	AUCKLAND NORTH SHORE CITY
Transport Specifications Ltd	PO Box 302-852	North Harbour	CITY
Transvisual Spraypainters Ltd	PO Box 400		DRURY
Trotskies Auto Upholstery Ltd	624 Redoubt Road		MANUKAU
TWL Transport & Engineering Supplies	PO Box 112177	Penrose	AUCKLAND
UES (NZ) Pty. Ltd	PO Box 13164	Onehunga	AUCKLAND
Ullrich Aluminium Company Ltd	PO Box 9843	South Auckland Mail Centre	MANUKAU
Universal Plastics	PO Box 12201	Penrose	AUCKLAND
Warehouse Stationary	PO Box 101248	North Shore Mail Centre	NORTH SHORE CITY
Wurth New Zealand Ltd	PO Box 97079	South Auckland Mail Centre	MANUKAU