

25 July 2006

**FIRST REPORT OF THE LIQUIDATORS  
TO CREDITORS AND MEMBERS OF  
THE PROFESSIONAL KITCHENS LIMITED (In Liquidation)**

**INTRODUCTION**

The Professional Kitchens Limited (In Liquidation) ("the company") was placed into liquidation on Wednesday 19<sup>th</sup> July 2006 at 5.00pm by a special resolution of shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act"). Kevin David Pitfield and Gareth Russel Hoole 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**

**Director and Shareholders**

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

Shareholders: Xin Wen Jiang  
Xin Ye Jiang  
Ju Lian Shi

Directors: Xin Wen Jiang  
Xin Ye Jiang  
Ju Lian Shi

**History**

The company was incorporated as The Professional Kitchens Limited on 20 August 2001.

The principal business of the company was that of kitchen and ceramic product manufacture. The company traded from 9/73 View Road, Glenfield, Auckland.

The liquidators understand that the company experienced cash flow difficulties for some months prior to their appointment. Those cash flow difficulties were compounded by significant debts to the Inland Revenue Department and the Accident Compensation Corporation. The cash flow constraints evidently prevented the company from meeting its debts as they fell due.

The liquidators are aware of possible creditor concerns that the company may have traded whilst insolvent and to this end 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' representatives attended the premises of the company at View Road on the morning following the appointment. The directors of the company were advised that trading should cease and an assessment of assets was undertaken.

The liquidators have established that the company has assets in the form of fixed assets, cash in a bank account and stock.

The liquidators have commissioned an independent valuer to provide an assessment of the current market value of the assets.

The liquidators have assumed control of the company bank account.

### **Statement of Position**

Attached by way of Appendix 1 is the Statement of Position of the company as at 19 July 2006, 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 a registered security interest by Fletcher Building Products Limited who have since uplifted the charged property.

Apart from creditors designated as preferential in terms of the Seventh Schedule of the Companies Act 1993 and the secured creditor 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 will initially seek to sell the business as a going concern, failing which the assets will be realised on a piecemeal basis.

The company has no debtor balances which require collection.

The liquidators will review disbursements made by the company in the period beginning on 19 July 2004 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, the appropriate investigation in this regard will be conducted and the findings will be reported 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 Wednesday, 2<sup>nd</sup> of August 2006 at 10.00am.

### **UNSECURED CREDITORS CLAIM FORM**

An unsecured creditor's claim form is enclosed for your convenience. This form must be completed and returned to the office of the liquidators together with supporting documentation to register your claim in this liquidation by 21<sup>st</sup> August 2006.

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 realisation of company assets, the liquidators tentatively estimate that this liquidation will be completed within the next six months.

Should you have any queries regarding the liquidation of the company, please do not hesitate to contact Leon Tabb at the office of the liquidators on telephone 309 0463, extension 846.



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Kevin David Pitfield  
JOINT LIQUIDATOR



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Gareth Russel Hoole  
JOINT LIQUIDATOR

**APPENDIX 1**

**THE PROFESSIONAL KITCHENS LIMITED (In Liquidation)  
 STATEMENT OF POSITION AS AT 19 July 2006 (Date of Appointment)**

<b>Assets</b>	Book Value	Estimated Realisable Value
Bank	550	550
Plant & Machinery	73,100	1
Stock	2,000	1
<b>TOTAL ASSETS</b>	<u>75,650</u>	
 <b>Liabilities</b>		
Preferential Creditors	134,678	
Unsecured Creditors	41,000	
<b>TOTAL LIABILITIES</b>	<u>175,678</u>	
<b>DEFICIT: LIABILITIES OVER ASSETS</b>	<u>(100,028)</u>	

1. The liquidators await valuations of the plant and stock. 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.