



Tel: +64 7 571 6280  
Fax: +64 7 571 6281  
tauranga@bdo.co.nz  
www.bdo.co.nz

BDO TAURANGA LIMITED  
Level 1 The Hub, 525 Cameron Road,  
Tauranga 3110  
PO Box 15660, Tauranga 3144  
New Zealand

## CSN Investments Limited (In Liquidation)

### Liquidators' First Report

18 March 2018

#### 1. Background

CSN Investments Limited (In Liquidation) ("the Company") was placed into liquidation by the High Court at Auckland on the 14th day of February 2018 at 10:16am. Kenneth Peter Brown and Paul Thomas Manning, both Accredited Insolvency Practitioners of Tauranga, were appointed as Joint and Several Liquidators of the company.

#### 2. Disclaimer

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#### 3. Company Information

Date of Incorporation: 27 November 2013

Trading Address: 424 Maunganui Road, Mt Maunganui

Type of business: Rental apartment management

Date trading ceased: 1 October 2017

Shareholders:	Megan Simon	Number of Shares: 50
	Frederick A.M. Cason	Number of Shares: 50

Director: Megan Simon

DIRECTORS: Fraser Lellman CA    Kenneth Brown CA    Janine Hellyer CA    Paul Manning CA  
                  Jenny Lee CA            ASSOCIATE: Doug Taylor    CONSULTANT: Tim Cooney

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#### **4. Events Leading to Appointment of Liquidators**

The Director of the company has advised she believed the reason for the failure of the Company was due to inexperience in the management of multiple apartments and lack of correct procedures that should have been implemented. This led to a lack of funds to continue the running of the business effectively resulting in a creditor making application to the court to place the business 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 by the Director of the Company and the Liquidators 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 establish what company assets are available to sell. Following the commissioning of a valuation on a unit owned by the company the Liquidators have decided to wait for the completion of the remedial building works before putting the unit on the market.

The Liquidators will review the Company's books and records to establish if there are any potentially voidable transactions, any potential shareholder current issues and ensure the Director has complied with the duties and obligations imposed on her under the Companies Act 1993. The Liquidators will also examine the Management Rights position.

#### **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 six monthly, with a final report at the conclusion of the liquidation. Due to the building currently being under repair with completion due early next year, it is likely the Liquidation will continue for at least a year.

#### **8. Creditors Meeting**

Having regard to the assets and liabilities of the company, the likely result of the liquidation and other relevant matters, the Liquidators consider in accordance with section 245 of the Companies Act 1993 that no such meeting should be held.

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

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 Karen Ragg on 07 571 6280, or note the details on your claim form.

Please complete and return the enclosed Unsecured Creditors Claim form by 30 April 2018, to PO 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 Karen Ragg at our Tauranga Office.



Kenneth Peter Brown  
*Joint Liquidator*

## Appendix I

### CSN Investments Limited (In Liquidation) Statement of Affairs as at the Date of the Appointment of the Liquidators being 14 February 2018

	<i>Estimated to Realise</i>	
<b>Assets</b>	<i>Note</i>	
Apartment	1	400,000
Debtors		9,400
Equipment	2	2,000
Cash in Bank		0
		<u>411,400</u>
<b>Less Secured Claims</b>		
Mortgage over Unit		260,000
<b>Less Preferential Claims</b>		
IRD - GST		36,206
Petitioning Creditor		4,147
		<u>40,353</u>
<b>Surplus before Unsecured Creditors</b>		<b>111,047</b>
<b>Less Unsecured Creditors</b>		
IRD - Income Tax (penalties & interest)		<i>unknown</i>
IRD - GST (penalties & interest)		16,477
Trade Creditors		118,881
		<u>135,358</u>
<b>Deficit (before costs of liquidation)</b>		<b><u>(\$24,311)</u></b>

Note:

1. Not included are the Management Rights value. The Liquidators are seeking legal advice on what, if any Rights remain with the company following the Liquidation.
2. Various sundry items owned by the company

*Disclaimer*

*This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report and BDO Tauranga Limited 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.*

*BDO Tauranga Limited*



## *Appendix II*

### CSN Investments Limited (In Liquidation) Schedule of Creditors as at 14 February 2018

Astro Hospitality	PO Box 129	Riverlands	Blenheim 7274
Barry and Judith Warner	PO Box 3167	Ararua	Rarotonga
Bell Plumbing	60 Hewletts Road	Mt Maunganui	Tauranga 3116
BNZ Bank of New Zealand	Private Bag 39806	Wellington Mail Centre	Lower Hutt 5045
BOP Appliances	PO Box 4610	Mt Maunganui	Tauranga 3116
Charles & Jacqueline Furniss	31 Auckland Road	St Heliers	Auckland 1071
CleanTech NZ Limited	38 Ashley Place	Papamoa Beach	Tauranga 3118
Crowe Horwarth Tauranga	57 Spring Street		Tauranga 3110
Curtain Clean	17 Alach Street	Gate Pa	Tauranga 3112
Dairy Fresh Distribution	9/60 Tauranga Direct Road	RD 6	Rotorua 3096
DAS Investments Ltd	PO Box 4536		Mt Maunganui
David & Anne Nichol	557A Kennedy Road		Napier 4112
Dianne Dennis	1/22 Tainui Street	Frankton	Hamilton 3204
Dorado Traders (NZ) Limited	14 Pycroft Place	St Heliers	
Entertainment Publications	56 New North Road	Eden Terrace	Auckland 1021
Estate Neil Armstrong	c/ Davidson Armstrong & Campbell	PO Box 54	Waipukurau 4242
Freedom Internet	PO Box 105-648	CBD	Auckland 1143
Mount Central Body Corporate	c/ Quay Property Management	PO Box 256	Tauranga 3140
Mount Maunganui Laundry	134 Newton Street		Mt Maunganui 3116
Neil Tisch	Apartment 111,114,210,309,310		
Netfone NZ Limited	PO Box 866		Palmerston North 4440
Oasis PC's Limited	16 Seaway Terrace	Matua	Tauranga 3001
Quay Property Management	PO Box 256,	Tauranga	
Quest Yves Roman Dubler Quest 4 Limited Tony Arlidge & Anastasia Arnold-Finlayson Estate Neil Armstrong Barry and Judith Warner Charles & Jacqueline Furniss Dianne Dennis DAS Investments Ltd David & Anne Nichol	PO Box 33-138 Apartment G02 Apartment G09, G10, 311, 313 Apartment G14 Apartment 104 Apartment 110 Apartment 211 Apartment 212 Apartment 302 Apartment 304	Takapuna	Auckland 0740

## CREDITORS CLAIM FORM

(Also for use by Preferential Creditors)  
Section 304 (1) Companies Act 1993

Name and postal address of creditor in full ..... ..... ..... ..... Telephone number: ..... My reference is: ..... (if applicable) E-mail address: ..... <input type="checkbox"/> I consent to receiving future information about the company by email	*Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993. The information will be used and retained by BDO Tauranga Limited and will be released to other parties only with your authorization or in compliance with the Privacy Act 1993. Under section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must - (a) Contain full particulars of the claim; and (b) Identify any documents that evidence or substantiate the claim. You may have access to, and request correction of any personal information. (*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)
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### CSN Investments Limited (In Liquidation)

I \_\_\_\_\_ (If claim is made on behalf of creditor, specify relationship to creditor and authority) claim that the company was at the date it was put into liquidation indebted to the above named creditor for the sum of [amount in words and figures]:

\$ \_\_\_\_\_

**STATUS OF CLAIM:**

- |                                                                                                          |                          |
|----------------------------------------------------------------------------------------------------------|--------------------------|
| 1. I am an unsecured creditor                                                                            | TICK                     |
| 2. I am surrendering the security I hold and I am claiming as an unsecured creditor                      | <input type="checkbox"/> |
| 3. I am making a preferential claim (refer details of reverse)                                           | <input type="checkbox"/> |
| 4. I am claiming reservation of title rights pursuant to rights held by me<br>(Refer details on reverse) | <input type="checkbox"/> |

Full particulars of the claim are set out, and any supporting documents that substantiate the claim are identified on the reverse of the form. *(Please include copies of all unpaid invoices)*

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**WARNING:-**

It is an offence under section 304(6) of the Companies Act 1993 to:-  
 Make, or authorize the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or  
 Omit, or authorize the omission, from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received  
(Date Stamp)

Reserved for Office Use:

Claim admitted for voting purposes:      Signed:      Date:

Claim rejected for voting purposes:      Signed:      Date:

Claim rejected for payment:      Signed:      Date:

Preferential claim for:      Ordinary Claim for:      Deferred Claim for:  
 \$      \$      \$

Signed  
Liquidator:      Dated:

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.

**Please return this form to:**  
**BDO Tauranga Ltd**  
**PO Box 15660, Tauranga 3144**

**PARTICULARS OF CLAIM**

Date	Details of claim and Identification of Documents that Evidence or Substantiate the Claim (i.e., unpaid invoices)	Amount \$
	<p><b>RETENTION OF TITLE CLAIMANTS ONLY</b> Please provide details of the basis of your retention of title claim and furnish a copy of the documentation showing that such reservation of title clause is a condition of contract.</p> <p><b>PREFERENTIAL CLAIMANTS ONLY</b></p> <p>1. Are you claiming the full amount of your claim as preferential?                  2. If no, what part of the claim is preferential?                  3. Why do you believe you are a preferential creditor?                  (E.g. employee, GST etc) .....</p> <p>.....</p> <p>4. Details of your claim .....</p> <p>.....</p> <p>.....</p>	<p align="center">Yes/No</p> <p>\$.....</p>

If applicable, please record your GST registration number: .....

Total GST included in your claim \$.....