

**ROBERT B. WALKER** MA(Hons) CA  
CHARTERED ACCOUNTANT

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**To:** Creditors and Shareholder of Tay Properties Limited (In Liquidation) and the Registrar of Companies

**Report on the liquidation of Tay Properties Limited (the Company)**  
*Company No: 1184742*

**INTRODUCTION**

This report is prepared in accordance with section 255(2)(c) of the Companies Act 1993. The matters to be addressed are:

- A report on the State of Affairs of the Company.
- Proposals for the conduct of the liquidation.
- An estimated date for completion.
- Certain matters pertaining to a meeting of creditors.

I was appointed liquidator by special resolution of the shareholders on 15 October 2010.

**STATE OF AFFAIRS OF THE COMPANY**

**Introduction**

In this section I will discuss:

- The history of the Company.
- The Company's insolvency.

This report needs to be read in conjunction with the Generic Report attached.

**History**

The Company was incorporated in February 2002. D Henderson is listed as the named director. The Company has 100 shares in issue.

**The Company's insolvency**

In view of the absence of books and records I am not able to express a view on the causes of insolvency. The Company was put into liquidation on the petition of Inland Revenue.

**CREDITORS MEETING**

I hereby dispense with holding a meeting of creditors in accordance with section 243 of the Companies Act 1993 under section 245. My reasons for doing so are:

- In view of the lack of information I don't know who the creditors are.
- There are no assets.

Creditors are hereby notified that they are entitled to require, by notice in writing, that a meeting is convened within 10 days of receiving this notice that such a meeting will not be convened.



**PROOF OF DEBT**

A proof of debt pro forma is attached. Please complete this form and return to:

Robert B Walker  
Liquidator: Tay Properties Limited  
PO Box 9010  
Wellington

Where an interest or finance charge arises and is claimed, please provide a copy of the underlying agreement.

Should you consider that you have a security interest, please provide relevant information.

A handwritten signature in cursive script, appearing to read 'R.B. Walker', written in black ink.

**Robert B Walker**

**Tay Ventures Limited (TVL)**  
**Tay Properties Limited (TPL)**  
**Dweller Limited (DL)**  
**Cashel Ventures Limited (CVL)**  
**Hotel So Corporation Limited (HSCL)**  
**[collectively the Companies]**

**Generic Report to Accompany Statutory Reports Prepared in Accordance with section 255  
of the Companies Act 1993**

**Introduction**

This report is prepared for the purposes of section 255 of the Companies Act 1993 (the Act), specifically:

- To outline action taken to date; and to the extent possible
- To outline future action.

**Action taken to date**

I was appointed liquidator to the Companies variously on 13<sup>th</sup> and 16<sup>th</sup> December 2010.

My immediate initial step was to issue notice to various parties in accordance with section 261 of the Act. These parties included:

- Mr David Henderson, still director of all the Companies (notwithstanding his personal bankruptcy).
- Mr Austin Forbes QC, past director of CVL, TVL and of the holding company, Property Ventures Limited (PVL).
- Mr Alistair Johnston, past director of CVL, TVL and of the holding company, Property Ventures Limited (PVL)
- Mr Gordon Hansen, past director of CVL, TVL and of the holding company, Property Ventures Limited (PVL)
- Canterbury Legal Services Limited (previously Cousins & Co.), legal advisers to some or all of the Companies.
- Pricewaterhouse Coopers (PwC), past auditor of the PVL group which included four of the five Companies.
- Inland Revenue.
- Taurus Group Limited, financial advisers to some of all of the Companies.
- BDO, receivers of CVL and HSCL
- Grant Thornton, receivers of TVL and TPL.

For reasons that will become apparent I have widened the scope of my inquiries to seek information from a variety of finance companies and banks, amongst others.

I have had a number of exchanges with Mr Henderson. I will explain in detail the nature of these exchanges below. Perhaps it is needless to say that Mr Henderson has utterly failed to comply with his absolute legal obligations.

I have heard from Mr Hansen and Mr Johnston but have not yet been provided with documents.

I have not heard from Mr Forbes at all. If he does not promptly supply all relevant information in his possession or control he will be in breach of his obligations under section 261 of the Act.

Canterbury Legal Services Limited after the issue of more sternly worded notice provided relevant trust account statements. These are of little use without the associated files. Canterbury Legal Services Limited began to provide the related files as of Friday last week. I have not had a chance to assess the completeness of the documents provided.

Inland Revenue provided me with information it held but this material does not advance my inquiries significantly.

PwC, after an initial phone call, have not yet delivered any information.

The role played by the Taurus Group Limited (Taurus) is not clear to me. I am aware that companies associated with Taurus provided loan financing to companies within the control of Mr Henderson to which some of the Companies are guaranteeing parties. Taurus, as of yesterday, has undertaken to comply with section 261 by the middle of next week.

One of the banks has provided bank statements but as of now I have not had documentation from the various finance companies and other lenders.

BDO has provided some documentation. I understand that BDO had to take legal action to get the information they hold. I have, for example, a trial balance for CVL as at the date of receivership. It was this trial balance that forms the basis for the financial report included in the receiver's first report (see page 6). Unfortunately the receivers do not have a copy of the underlying general ledger either in electronic or paper form. I, therefore, do not know the composition of the numbers included in the receivers report.

BDO provided other information, most usefully a list of creditors' names and addresses.

Grant Thornton has provided me with information held namely two balance sheets in relation to Tay Ventures Limited. However, as Mr Henderson has failed to co-operate, Grant Thornton were not able to provide me with the underlying general ledger or information about creditors.

Note the balance sheets relating to Tay Ventures Limited cannot be relied upon, refer to the final Receivers report for a breakdown of substantiated balances.

### **Exchanges with Mr Henderson**

Clearly Mr Henderson is, or should be, the primary source of information.

I first wrote to Mr Henderson on 16<sup>th</sup> December 2010 at the address given as his address in the Registrar of Companies website giving him notice under section 261 of the Act to provide all documentation and records of the various Companies. I have since learned that is his Christchurch address. I also sent a copy of the letter to an email address in the name of PVL. This email address may no longer be operable.

I received no response. Because Christmas was fast approaching I decided to send a representative to the offices Mr Henderson occupies on 20<sup>th</sup> December 2010. When my representative eventually found Mr Henderson he claimed he was busy and his office would not be open until mid-January.

No records were provided. My representative agreed that, because Christmas was to intervene, we would allow Mr Henderson until mid-January to compile all of the records.

I obtained an email address that was operable. This was in the name of Dweller Limited. On 24<sup>th</sup> December 2010 I sent an email to Mr Henderson that reminded him of his legal obligations. I also suggested to him that it would be easier for all if the matter was dealt with in a spirit of co-operation. I offered to fly down from Auckland in the week between Christmas and New Year to discuss the matter with him.

I heard nothing more. On 12<sup>th</sup> January 2011 I wrote a further email pointing out that I needed records to enable me to start on the liquidation. Mr Henderson wrote back claiming that my representative had allowed him until late January to comply.

I wrote another email on 13<sup>th</sup> January 2011. I proposed that Mr Henderson provide me with high level financial and other documents (financial statements, minutes etc.) immediately and that I would accept delivery of the bulk primary documents later as these were assembled. I pointed out that my reporting obligation was becoming imminent.

There then followed exchanges of emails in which Mr Henderson accused me of 'fee farming' and being an opportunist. I simply kept repeating that I wished to have high level documents. After a while Mr Henderson accused me of harassing him and he said he would consign my emails to his 'junkbox'. Within this strand I was reduced to asking if he had the statutory financial statements for the companies and that, if he did, to provide them to me.

I then resolved to approach Mr Smith of Canterbury Legal Services Limited to enlist his help in persuading Mr Henderson to give me something. My office discussed this with him at the same time as arranging to collect the legal files. Mr Smith was reluctant but said he would do so. I arranged for another representative to attend the offices of Canterbury Legal Services Limited, which are in close proximity to those of Mr Henderson. This was to happen on 21<sup>st</sup> January 2011.

On 20<sup>th</sup> January 2011 Mr Henderson wrote an email to me saying that he had documents ready for collection. He then claimed that the documents for the companies had been adversely affected by the earthquake and consequent flooding.

My representative attended both offices. Mr Henderson was absent. Mr Henderson provided no documents.

**Future action**

Until such time as I am provided with the core documents, principally financial statements and related general ledgers, I am not in a position to progress the liquidations.

I shall continue to take measures to secure the business records of the Companies.

**Time for completion**

I am unable to determine a time for completion until such time as I get access to the records.

## **Known Creditors**

### **Name**

Inland Revenue

5-7 Byron Avenue, PO Box 33-667, Takapuna, North Shore