



The Insolvency & Business Recovery Specialists

Flamecrusher 2006 Limited (In Liquidation) **(This company traded as: Flamecrusher Motorsport)** **Liquidators' First Report**

1 INTRODUCTION AND APPOINTMENT

Flamecrusher 2006 Limited ("the company") was placed into liquidation by a special resolution of the shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 24 January 2014. Peri Micaela Finnigan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed as joint and several liquidators of the company.

2 RESTRICTIONS

This report has been prepared in accordance with Section 255(2)(c) of the Act. In preparing this report and its appendices we have relied upon information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs setting out the company's estimated financial position
- Appendix 2: Schedule of company creditors' names and addresses
- Appendix 3: Notice to creditors to prove debts or claims
- Appendix 4: Notice of Liquidators' decision to dispense with meeting of creditors
- Appendix 5: Creditors claim form

4 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	14 November 2006
Company number:	1882300
Date ceased trading:	23 January 2014
Nature of business:	Manufacture & Sale of Motorsport Clothing

Trading address:	6A Hynds Road, Greerton, Tauranga	
Share capital:	\$1,000	
Shareholders:	Enterprise Trustee Company, Bernard Lynton Gillon and Kerri-anne James jointly	998 shares
	Bernard Lynton Gillon	1 share
	Kerri-anne James	1 share
Directors:	Bernard Lynton Gillon	
	Kerri-anne James	
Related companies:	Bernard Gillon Motorsport Limited	
	Cobra Management Limited	
	Clearize Limited	

The company purchased an existing business in November 2006 and was involved in the manufacture and sale of motorsport clothing and accessories. In mid 2010 the requirements in respect of Kart suits were changed and the company was unable to obtain the required European certification to be able to produce the suits, which accounted for about 20% of the company's turnover. This, coupled with the downturn in business as a result of the global financial crisis and the failure of two major Australian based clients, led to the company's failure.

In November 2011 the company ceased manufacturing or purchasing new material but continued to sell down stock on hand. The manufacturing side of the business was sold to an unrelated party.

5 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

6 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will realise all available assets. If any creditor is interested or knows of any other party who may be interested in purchasing any of the assets, please advise us urgently.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties, and take appropriate steps where necessary.

If there are funds available for distribution to creditors we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

7 LIABILITIES AND CREDITOR CLAIMS

7.1 *Secured Creditors*

As at the date of liquidation two secured parties had registered security interests against the company on the Personal Property Securities Register.

There is a general security agreement in favour of ANZ Bank New Zealand Limited. The amount owing at our appointment is \$371,821.

Canon Finance New Zealand Limited has a security registered in respect of a leased Canon photocopier.

Personal Property Securities Act / Reservation of Title

Should any creditor believe that they are entitled to any goods, or proceeds from realisation of goods, due to holding a perfected Purchase Money Security Interest, they should contact us immediately.

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

7.2 *Preferential Creditors*

At this time we are unaware of any preferential claims.

7.3 *Unsecured Creditors*

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$584,385. A schedule of known creditors and their addresses is provided at Appendix 2, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is included at Appendix 3. Also enclosed is a creditor's claim form for completion and return to this office by Friday, 7 March 2014. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor please contact us and the appropriate form will be sent to you.

8 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Pursuant to Section 314 of the Companies Act 1993, creditors are advised that at any time in the course of the liquidation the Liquidator shall, at the request in writing of any creditor or shareholder, call a meeting for the purpose of appointing a liquidation committee.

9 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence and send it to us. Please note that the Liquidators are more able to act on written information.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on the attached creditor claim form. This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz

10 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the liquidation.

11 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI (07) 838 0908 or by email to CSanderson@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141



PERI M FINNIGAN
LIQUIDATOR

DATED this 30th day of January 2014

Flamecrusher 2006 Limited (In Liquidation) Statement of Affairs

Statement of Affairs for the above named company as at 24 January 2014 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

SECURED CREDITORS	<i>Estimated</i>	<i>Due to</i>	<i>Deficiency</i>	<i>Surplus</i>
ASSETS SPECIFICALLY PLEDGED	<i>to Realise</i>	<i>Secured</i>	<i>Ranking as</i>	
		<i>Creditor</i>	<i>Unsecured</i>	
Canon Finance New Zealand - Canon copier		Unknown	-	-
			-	-
<i>Estimated surplus / (deficiency) as regards specifically pledged assets</i>			\$ -	\$ -

PREFERENTIAL CREDITORS	<i>Book</i>	<i>Estimated</i>
<i>Assets available for preferential creditors</i>	<i>Value</i>	<i>to Realise</i>
Accounts receivable	38,869	4,000
Inventory (refer note 5)	148,891	Unknown
Total	187,760	4,000

Less preferential creditors

There are no known preferential creditors

SECURED CREDITORS	<i>Book</i>	<i>Estimated</i>
ASSETS NOT SPECIFICALLY PLEDGED	<i>Value</i>	<i>to Realise</i>
Estimated surplus from assets specifically pledged		-
Plant & Equipment (refer note 5)	23,722	Unknown
Office Equipment	702	Unknown
Total	24,424	Unknown

Less secured creditor

ANZ Bank New Zealand Limited	371,821
Total	371,821

Estimated deficiency as regards secured creditor **(\$367,821)**

Estimated deficiency as regards secured creditors - assets specifically pledged	-
Estimated deficiency as regards secured creditors - assets not specifically pledged	367,821
Trade creditors	40,191
Related party advances	464,947
Shareholder current account	79,247

Estimated deficiency as regards unsecured creditors **(\$952,206)**

Notes:

- There is no unpaid capital liable to be called up.
- The above estimates are subject to the costs of the liquidation.
- Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
- The General Security Agreement holder's claim will continue to accrue interest until fully paid.
- The Director, B Gillon, has indicated an interest in purchasing the assets of the company. An independent assessment of value is being obtained.

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

Flamecrusher 2006 Limited (In Liquidation)

(This company traded as: Flamecrusher Motorsport)

Schedule of Creditor's Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor name	Address 1	Address 2	Address 3
Accident Compensation Corporation	P O Box 3248	WELLINGTON	
ANZ Bank New Zealand Limited	P O Box 788	Shortland Street	AUCKLAND 1140
Bernard Gillon Motorsport	P O Box 14 335	TAURANGA 3143	
Bernard Lynton Gillon	45B Commons Avenue	MOUNT MAUNGANUI 3116	
Canon Finance New Zealand Limited	P O Box 33 336	Takapuna	AUCKLAND 0740
Clearize Limited	P O Box 14 335	TAURANGA 3143	
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
KAB Trust	P O Box 14 335	TAURANGA 3143	
Staples Rodway	P O Box 743	TAURANGA 3140	
The Cobra Trust	P O Box 14 35	TAURANGA 3143	

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Flamecrusher 2006 Limited (In Liquidation)
(This company traded as: Flamecrusher Motorsport)

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of Flamecrusher 2006 Limited (In Liquidation) ("the company"), does hereby fix Friday, the 7th day of March 2014, as the day on or before which the company's creditors are to make their claims, and to establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.


PERI M FINNIGAN
LIQUIDATOR

DATED this 30th day of January 2014

ADDRESS OF LIQUIDATOR

McDonald Vague
Level 10, 52 Swanson Street
Auckland 1010

PO Box 6092
Wellesley Street
AUCKLAND 1141

Telephone: (09) 303 0506
Facsimile: (09) 303 0508
Website: www.mvp.co.nz

DATE OF LIQUIDATION: 24 January 2014

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Flamecrusher 2006 Limited (In Liquidation) and the likely result of the liquidation, it is proposed to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

We do not, however, wish to preclude creditors from expressing their views. Please contact Colin Sanderson of this office on DDI (07) 838 0908 if you have any specific enquiries.

You are advised that should you desire a creditor's meeting, notice in writing is required within 10 working days of receiving this notice.

At the time of giving notice you must also state the reason you require a meeting so that an agenda can be prepared and advertised and creditors can be given the opportunity to vote on any issue by voting letter.



PERI M FINNIGAN
LIQUIDATOR

DATED this 30th day of January 2014



The Insolvency & Business Recovery Specialists

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Particulars of Claim

If the creditor owes money to the company, please give full details.

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline
The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$20,340 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
(eg. employee, GST, etc) _____

2. Details of your claim: _____

If applicable please record here your GST Registration number: _____

and total GST included in your tax invoice: \$ _____