

**LS Property Developments Limited (In Liquidation)
(As Corporate Trustee for LS Property Development Trust)**

**Liquidators' Fifth Report
For the period from 19 April 2013 to 18 October 2013**

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Roy Horrocks, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of LS Property Developments Limited ("the company") on 19 October 2011. Roy Horrocks resigned his position as liquidator on 5 April 2013 on the appointment of Tony Leonard Maginness as his successor.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This Fifth report should be read in conjunction with the liquidators' previous reports. This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is **attached**.

2 RESTRICTIONS

This report has been prepared in accordance with section 255(2)(d) of the Act. 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 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

The company had no known assets at the date of liquidation

4 INVESTIGATIONS

The investigation of the company's books and records and information received from creditors identified potentially voidable charges, granted by the company over properties that it owned, to related companies.

Legal advice received by the liquidators was that the charges are voidable and that there are potential causes of action against the company director, personally. Attempts to reach a negotiated settlement have been unsuccessful.

The Inland Revenue Department is funding legal proceedings commenced by the liquidators against the related companies.

5 CREDITORS' CLAIMS

5.1 *Preferential Creditors*

The Inland Revenue Department has filed a preferential claim for \$552,364 in respect of GST. To date no payment has been made in respect of this claim.

5.2 *Unsecured Creditors*

As at the date of preparing this report nine unsecured creditors' claims have been received which total \$314,478. There are three claims from related companies. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as they are in a position to pay a distribution.

6 FUNDS / LIKELY OUTCOME

The liquidators will not be able establish whether or not there will be funds available for distribution until the legal matters are decided.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matter is outstanding:

- Finalisation of the legal proceedings

8 ESTIMATED DATE OF COMPLETION

Based on the above the liquidators are unable to estimate when the liquidation will be completed.

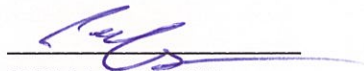
9 CONTACT DETAILS

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:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 23 day of October 2013

Realisations and Distributions

LS Property Developments Limited (In Liquidation) 19 October 2011 to 18 October 2013

Realisations	Cash Received \$
Bank Account Closure	709
Inland Revenue Department – Funding	8,000
Total Realisations	\$8,709
Payments	
Liquidators Fees	
Liquidators Fees	709
Total Liquidators Fees	\$709
Other Costs of Liquidation and Trading On	
Legal Fees	8,000
Total Costs of Liquidation and Trading On	\$8,000
 Total Payments	 \$8,709
 BALANCE HELD	 \$Nil