

# CROUCH INSOLVENCY

CHARTERED ACCOUNTANTS

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12 May 2005

## NOTICE TO INVESTORS

Dear Sir / Madam,

### **HERITAGE FINE WINES PTY LTD (IN LIQUIDATION) (ACN 093 310 715)**

Notice is hereby given that on 12 May 2005, I, Nicholas Crouch will approach the Court seeking directions to proceed with my proposal that all wine be moved to a centralised site. I will also make an ex parte application to the court for appointment as receiver over the wine of which I am bailee. The reasons for this are set out below.

The wine is currently held in 5 primary locations at Alexandria, Artarmon and Wetherill Park in NSW and Dandenong and Red Hill in VIC, as well as 50 secondary sites. In relation to the wine at Alexandria I am required to vacate these premises by 15 May 2005 because of redevelopment of the site, the lease having expired. I propose to have the stock centralised so that a complete reconciliation and stock take can take place. I expect this will take approximately 5 weeks.

It is intended that such stock as can then be identified be distributed to owners/investors.

I am endeavouring to secure an agreement, whereby the stock will be relocated to a suitable site.

I am also endeavouring to negotiate terms for alternate storage on the basis that a suitable site owner pays me an amount of approximately \$2.00 per bottle upon delivery and, in return, that site owner shall exercise a lien over the wine. The lien would be subsequently dischargeable upon payment by investors of a levy in the same per bottle amount. The revenue raised in this proposed transaction will be applied by me toward the costs of relocating the wine, security, insurance and the costs associated with the reconciliation of the stock.

Once the stock is properly identified, each identified owner, will be given the option to collect or continue to store their wine.

From the point of view of the company, this arrangement creates a benefit in the form of an asset, namely, a business for the purchase, sale and storage of fine wines which may also be of assistance to investors.

Based on current enquiries I anticipate that approximately 85% of the wine is capable of identification. It is estimated that the remaining 15% will be subject to claims of competing ownership or no longer in existence, in part due to breakage, leakage, theft and, it would appear over-selling. A further class will also exist as to wine partly paid for but not yet bottled and delivered. It appears that those investors will have no claim to any wine.

As to unidentifiable wine, I propose to sell such wine and pool the proceeds for those investors. In this regard I wish to be appointed as receiver with good title to the wine to enable such sales to proceed.

At this stage I otherwise have no funds to meet ongoing storage costs and pay unpaid rent and am presently funding insurance from my personal funds. Without immediate resolution of this issue I may need to disclaim the wine as an onerous asset.

Yours faithfully

**HERITAGE FINE WINES PTY LTD**

**NICHOLAS CROUCH  
LIQUIDATOR**