

4 Seasons Bay of Plenty Limited (In Liquidation)

Liquidators First Report

21 May 2007

1. Background

Pursuant to section 241 of the Companies Act 1993 the above named company was put into Liquidation by the appointment of Liquidators.

Kenneth Peter Brown was appointed, along with Thomas Lee Rodewald as Joint Liquidator of the company by order of the High Court at Rotorua dated the 12th day of April 2007, at 11.10am.

The Liquidation commenced on the 12th day of April 2007. We detail below the Liquidators first report, for the information of creditors of the company.

2. Disclaimer

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without written permission in each specific instance. The Liquidators do not accept any responsibility or liability for any damage or loss occasioned to any party as a result of the circulation, publication, reproduction or use of this report. In particular the Liquidators take no responsibility for any misinformation contained therein that has been supplied by the company, its officers or any other person. The report is also based upon information available at this date, and the Liquidators therefore reserve the right to review, and if necessary, amend the report.

3. Related Company Receivership

On the same day Thomas Lee Rodewald and Kenneth Peter Brown were also appointed Joint Receivers and Managers of Indoor Outdoor Living Limited. This report should be read in conjunction with the first report for this company.

4. Company Information

Date of Incorporation:	24 November 1992
Trading Address:	35A Totara Street, Mount Maunganui
Type of business:	Retail
Date trading ceased:	December 2005
Shareholders:	Michael David Ogier 50 Shares Tracie Elizabeth Ogier 50 Shares
Directors:	Michael David Ogier

5. Events leading to appointment of Liquidators

The director decided to close the doors on 4 Seasons Bay of Plenty Limited, because they were not happy with their franchise agreement. They re-opened as Indoor Outdoor Living Limited shortly afterwards. Whilst trading as Indoor Outdoor Living Limited, the two companies and the franchisor of 4 Seasons Bay of Plenty Limited entered into a mediated agreement to settle the debt owed by the companies. However shortly after entering into this agreement, the directors believed it to have been broken by the franchisor; therefore they would not pay the settlement that was agreed at mediation. The franchisor then petitioned to the High Court in Rotorua to liquidate both companies due to the directors not settling this debt.

6. Statement of Affairs

We attach as *Appendix I* a statement of the company's affairs as at the date of our appointment. The figures are based on the financial statements for the year ending 31 March 2006, which we believe to be accurate as the company ceased trading in December 2005. These figures have not been verified by the directors of the company.

7. Proposals for Conducting the Liquidation

The liquidators will attend to all normal statutory duties and will conduct an investigation into the company's records to determine whether there are any potentially voidable transactions, potential current account issues and to ensure the directors have complied with the duties and obligations imposed on them under the Companies Act 1993. The liquidators will review the shareholders loan account with a view to seeking recovery.

8. 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.

The Liquidators give notice under section 255(5) of the Companies Act 1993 that no further reports will be issued apart from a final report when the liquidation is completed.

9. Creditors Meeting

No meeting will be held. 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.

10. Creditors Claims

If your terms of trade with the company include reservation of title of goods supplied please contact Bonnie Frires at our Tauranga Office.

Please complete and return the enclosed Unsecured Creditors Claim form by 31 July 2007. If you believe that you are a secured creditor please contact this office and the appropriate forms will be sent to you.

11. Further Information

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Bonnie Frires at our Tauranga Office on (07) 571 6280.

Kenneth Peter Brown
Joint Liquidator

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Statement of Affairs

As at 12 April 2007

	Book Value	Estimated to produce
	\$	\$
Assets		
Shareholder's Current Account	130,959	Unknown
Less Secured Claims		167,825
Less Preferential Claims		
IRD Preferential claim		<u>2,951</u>
Deficit before Unsecured Creditors		(170,776)
Less Unsecured Creditors		12,881
Deficit (before costs of liquidation)		<u>\$ (183,657)</u>

Disclaimer

This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report and Rodewald Hart Brown Ltd 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.

Rodewald Hart Brown Limited
21 May 2007