

Advance Fintube X-Changers Limited (In Liquidation)

Liquidators' Second Report

31 January 2008

1. Background

Advance Fintube X-Changers Limited ("the company") was placed into liquidation by order of the High Court at Hamilton dated the 2nd of July 2007, at 11.25am. Kenneth Peter Brown and Thomas Lee Rodewald, Chartered Accountants of Tauranga, were appointed as Joint and Several Liquidators of the company. We detail below the Liquidators second report, for the information of creditors of the company.

2. Disclaimer

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3. Company Information

Date of Incorporation:	27 March 2003
Trading Address:	Hamilton
Type of business:	Engineers
Date trading ceased:	March 2006
Shareholders:	Kevin Malpass William Bunning Makarini Tupe
Directors:	Kevin Malpass William Bunning

4. Conduct of the Liquidation

As first reported, there appeared to be some issues we needed to clarify in respect of assets that the company may previously have had.

We subsequently established that monies owing to the company under an Agreement with another party had not been paid.

Additionally, matters relating to the 'repossession' of the Finning machine, also by that other party, had in our view not been conducted in the best interests of the company.

This has led to a payment to the company of \$70,000.

Further, certain payments made in the specified period have been investigated and declared by us to be voidable transactions. Court action will ensue if these amounts are not repaid.

5. Receipts and Payments received by the liquidators on behalf of the company.

GST exclusive

Receipts

GST on income	7,777.78	
Sale of assets	<u>62,222.22</u>	70,000.00

Payments

GST on expenses	2,985.07	
Legal fees	8,735.64	
Liquidators fees	<u>15,144.97</u>	26,865.68

Net Funds

\$ 43,134.32

6. Estimated Date of Completion of Liquidation and Notice As To Further Reports

Because of the likelihood of Court action, it is not practicable to estimate the date of the completion of the liquidation at this stage. A further report will be completed in six months time, if finalisation has not then been achieved.

7. Further Information

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Grant Wills at our Tauranga Office.

Kenneth Peter Brown
Joint Liquidator