

Arupa Limited (In Liquidation)

Liquidators First Report

20 May 2008

1. Background

Arupa Limited (“the company”) was placed into liquidation by order of the High Court at Rotorua dated the 16th day of April 2008 at 10.56am. Kenneth Peter Brown and Robert James Neilson, Chartered Accountants of Tauranga, were appointed as Joint and Several Liquidators of the company. 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. Company Information

Date of Incorporation:	12 April 2002
Trading Address:	No longer trading, formerly remotely by internet
Type of business:	Internet web hosting & stock options trading
Date trading ceased:	April 2008
Shareholder:	James Wedgwood Warwick Leslie Berg
Director:	James Wedgwood Warwick Leslie Berg

4. Events leading to appointment of Liquidators

The Director has advised that the business sold its web hosting clients in a bid to clear up debts and begin afresh, however the sale price did not clear the debts. The business then traded stock options for a year successfully and retired a lot of debt, until the stock market crash which left debts still owing. The Inland Revenue Department successfully applied to the Court to have a Liquidator appointed.

5. Statement of Affairs

We attach as *Appendix I* a statement of the company's affairs as at the date of our appointment.

We have received no records from the Director to date and we are unaware of the full creditors total.

6. Proposals for Conducting the Liquidation

The Liquidators will conduct an investigation of the company's books and records once received, to establish if there are any potentially voidable transactions and potential current account issues that require investigation, and ensure the director has complied with the duties and obligations imposed on him under the Companies Act 1993.

7. 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. Further reports will be issued six monthly and a final report at the conclusion of the liquidation.

8. 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.

9. Creditors Claims


If your terms of trade with the company include reservation of title of goods supplied please contact Marilyn Thorne on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form before 30 September 2008. If you believe that you are a secured creditor please contact this office and the appropriate forms will be sent to you.

Completion of your claim should be given your urgent attention. If creditors do not lodge a claim with the Liquidators, they are not entitled to share in any distribution to creditors that may be made by the Liquidators.

10. Further Information

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

A handwritten signature in black ink, appearing to read 'K. Brown', with a long horizontal flourish extending to the right.

Kenneth Peter Brown
Joint Liquidator

Statement of Affairs of
Arupa Limited (In Liquidation)
As at the date of the appointment of the Liquidators
being 16th April 2008.

	<i>Estimated to realise</i>
Assets	Nil
Less Secured Claims	Nil
Less Preferential Claims	
IRD - Petitioning creditor costs	\$ 2789
IRD – PAYE, GST	\$12915
Deficit before Unsecured Creditors	\$15704
Less Unsecured Creditors	
IRD penalties & interest	\$10030
ANZ Bank	\$30741
Deficit (before costs of liquidation)	\$56475

Known creditors of Arupa Limited:

Inland Revenue Department	Private Bag, Tauranga
ANZ Bank	PO Box 1425, Wellington

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