

Bay City Motorcycles Limited (In Liquidation)

Liquidators First Report

4 May 2009

1. Background

Bay City Motorcycles Limited ("the company") was placed into liquidation by special resolution of the shareholders on the 23rd day of April 2009, at 12.09pm. Kenneth Peter Brown and Thomas Lee Rodewald, Chartered Accountants of Tauranga were appointed as Joint and Several Liquidators 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: 11 March 1999

Trading Address: 31 Waihi Road, Tauranga

Type of business: Motorcycle Sales, Repairs and Maintenance

Date trading ceased: 4 May 2009

Shareholders: Andrew John Murdoch
Julie Anne Murdoch

Directors: Andrew John Murdoch
Julie Anne Murdoch

4. Events leading to appointment of Liquidators

The reason for the failure of the company is due to poor financial recording, and therefore the directors could not meet their company obligations.

5. Statement of Affairs

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

There are several secured creditors in the liquidation as noted on the Statement of Affairs with financing statements registered on the Personal Properties Securities Register of which GE Commercial hold a General Security Agreement and the other creditors named purport to have specific security charges over stock supplied. The Liquidators are at present awaiting further information on some of these claims and will then assess them as to their validity and priority for distribution of any funds realised.

In addition there are preferential amounts due for wages and Inland Revenue preferential claims for GST and PAYE.

From information to it appears there will not be sufficient funds available for a distribution to unsecured creditors.

Also attached as *Appendix II* is a list of known creditors as at the date of appointment.

6. Proposals for Conducting the Liquidation

The Liquidators are continuing to trade the business in the short term. An option available to the Liquidators is to advertise the business for sale as a going concern. There is a particular party that is very interested in purchasing the business so the liquidators are working with them to finalise this transaction.

The Liquidators will conduct an investigation of the company's books and records to establish if there are any potentially voidable transactions that require investigation, review the shareholders current accounts 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

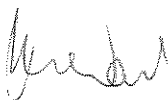
If your terms of trade with the company include reservation of title of goods supplied please contact Megan Pickett on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form by 5th June 2009 to P O Box 15660, Tauranga. If you believe that you are a secured creditor please contact our Tauranga 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 Megan Pickett at our Tauranga Office.



Thomas Lee Rodewald
Joint Liquidator

Appendix I

Bay City Motorcycles Limited (In Liquidation)

Statement of Affairs

as at the date of the appointment of the
Liquidators being 23 April 2009

	<i>Estimated to realise</i>
Assets	
Plant & Equipment	30,000
Debtors	4,813
Cash in Bank	170
Stock on site	40,000
Less Secured Claims	
GE Commercial Corporation	unknown
Lyntec Holdings Ltd	unknown
Triumph Motorcycles (NZ) Ltd	unknown
Motorcycle Distributors (NZ) Ltd	unknown
Motor Trade Finances Ltd	unknown
Moto Finance Ltd	unknown
Dold Industries Ltd	unknown
Northern Accessories Ltd	unknown
Darbi Accessories Ltd	unknown
W.White (Wholesale) Ltd	unknown
Eurobike (Wholesale) Ltd	unknown
Forbes & Davies Ltd	unknown
Employee Claims	unknown
IRD - GST	unknown
IRD - PAYE	18,201
Less Unsecured Creditors	94,990
Deficit (before costs of liquidation)	(unknown)

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

Appendix II

Bay City Motorcycles Limited (In Liquidation) Schedule of Creditors as at 4 May 2009

Name	Address 1	Address 2	City
ACC	Debt Management Unit	P O Box 3248	Wellington
ACE IT	27 Sherwood Street		Tauranga
ACP Trader	PO Box 7129	Wellesley Street	
Adrenalyn Motorcycles	13 Totara Street		Mt Maunganui
Aero Fast Tiedowns	PO Box 19902		Christchurch
AG Tech	PO Box 369		Dargaville
American Express Gold Credit Card	PO Box 4005		Auckland 1140
Anything Auto Electrical Ltd t/a Ivans Auto Electrical	32 Waihi Road	Judea	Tauranga
Apparelmaster	153 Totara Street		Mt Maunganui
ATV City	PO Box 253	Te Awamutu	
Auckland Motorcycles & Power Sports	PO Box 109426	Newmarket	Auckland
Baileys Motor & Cycles Dismantlers	309 South Road	Hawera	Auckland
Barberry Street	11b Barberry Street		Tauranga
Battery Warehouse	25c Marsh Street		Tauranga
Bay Engineers Supplies	PO Box 4247		Mt Maunganui
Bay Office Products Depot Ltd	2 Glasgow Street		Tauranga
Bay Ride M/c	337 Cameron oad		Tauranga
BOP Times	Private Bag 12002		Tauranga
Bulk Bolts	PO Box 5336		Tauranga
Computastyle Signs Ltd	PO Box 1193		Tauranga
Coastline Honda	PO Box 15105		Tauranga
Darbi Access	PO Box 303377	North Harbour	Auckland
Dave Ludlow	24 Bellfield Place	Cambridge Heights	Tauranga
Dold Industries	PO Box 10939		Hamilton
Draggin Jeans Pty Ltd	Unit 11, 9 Woolboard Rd	Port Melbourne	Victoria 3207
Dwaines Service Centre	7 Northumberland Street		Tapanui
Eurobikes	PO Box 4079		Taranaki Mail Centre
Extreme	PO Box 1518		Hamilton
Forbes & Davies	PO Box 101112	NSMC	Auckland
Gamman Engineering	PO Box 804		Tauranga
GP Honda	1/9 McDonald Street		Tauranga
Great Escape Pub	PO Box 299		Kumeu
Hauraki Plains Motors	PO Box 17		Ngatea
Hyosung M/c	148 St George Street		Avondale 0600
Kawasaki NZ	PO Box 201075	Manukau	Auckland
KD & Sons Motorcycle Movers	PO Box 11		Tirau 3410
Kiwi Rider Magazine - McStannic Publishing Ltd	PO Box 299	Kumeu 0841	Auckland
KTL Motorcycles	889 Whangaparaoa Road		Manly 0930
Leightons Transport Limited	PO Box 11 172	Ellerslie	Auckland
Makz Gear	PO Box 14155		Tauranga
Monster Imports	10 Racecourse Road		Waiuku 2123
MotoGB t/a Glenn Bayly Motorcycles	PO Box 4485		Mt Maunganui

Name	Address 1	Address 2	City
Ltd			
Motominder	PO Box 37 574	Parnell	Auckland
MTA	PO Box 9244		Wellington 6141
MTF	PO Box 885		Dunedin 9054
Nationwide Access (Wholesale) Limited	PO Box 5270		Hamilton
New Zealand Couriers Limited	PO Box 1022		Hamilton
Northern Accessories Ltd	PO Box 22350	Otahuhu 1640	
Partmaster	PO Box 21121	Henderson	Auckland
Performance Cycle Wholesale	PO Box 109-287	Newmarket	Auckland
Post Haste	PO Box 1015		Tauranga
R2 Enterprises	PO Box 23738		Papatoetoe
RepcO	PO Box 1144		Tauranga
RJ. Skinner	68 Raleigh Road	Northcote	
RSI - R & J Skinner	68 Raleigh Road	Northcote 0627	Auckland
Saeco	PO Box 22256		Otahuhu
SAF	3/33 Oak Lane		Tauranga
Smiths M/c Mad	153 Durham Street		Tauranga
Sports Pro Racing	PO Box 331005	Takapuna	Auckland
Sunmedia	No 1 the Strand		Tauranga 3110
Telecom	Private Bag 4742		Christchurch
The Milk Crew	PO Box 6156	Brookfield	Tauranga
Tradergroup	PO Box 7129	Wellesley Street	Auckland 1
Triumph NZ	PO Box 62065		Mt Wellington
Trustpower	PO Box 12023	Tauranga Mail Centre	Tauranga 3143
Tyre Master	PO Box 14044		Tauranga
Visual Plastics	PO Box 5107		Hamilton
VTNZ	PO Box 10057		Wellington 6143