

Bay City Motorcycles Limited (In Liquidation)

Liquidators Second Report

19 November 2009

1. Introduction

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.

We set out below our six monthly report on the state of affairs of the above named company as required by section 255 (2)(d) of the Companies Act 1993.

2. 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

3. Conduct of the Liquidation

At the time of liquidation the business was still trading and the Liquidators made the decision to continue trading the business on for a limited time with a view to the sale of the business as a going concern to achieve the best possible price for the business. The Liquidators obtained asset valuations and advertised the business for sale. A sale of the business as a going concern was negotiated, and this has now been settled.

The amount that was achieved from the sale was sufficient to enable payment for preferential wages and only partially repay the outstanding debt to the company's bankers. They still maintain a priority for any further funds received into the liquidation.

The Liquidators have pursued outstanding debtors and in most cases have been paid or have entered into arrangements for repayment. As this was a small amount there will be insufficient funds to cover preferential claims, therefore no payments will be possible to non preferential unsecured creditors.

There was an outstanding current account owed by the shareholders however we are not hopeful of being able to recover this as it is our belief the directors have left the country to pursue employment opportunities

The Liquidators are continuing investigations into any potentially voidable transactions although initial indications are that there are insufficient records and information to pursue any further action. We will be further investigating the directors actions while trading and will, if necessary, report their dealings to any other appropriate agencies.

4. 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.

5. Receipts and Payments to 23rd October 2009

We attach as *Appendix 1* a summary receipts and payments.

6. Further Information

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Logan Niederer at our Tauranga office.



Thomas Lee Rodewald
Joint Liquidator

Appendix 1

Bay City Motorcycles Limited (In Liquidation)

Receipts and Payments from 23rd April 2009 to 23rd October 2009

GST exclusive

Receipts

Debtors	2,823.41	
GST on income	10,570.00	
GST refunds	349.50	
Interest Received	5.98	
Liquidator Sales	1,951.02	
Sale of business	80,151.91	
Sale of stock	302.22	
	<hr/>	96,849.55

Payments

Advertising	139.73	
Electricity	131.23	
GST on expenses	4,265.83	
GST paid	6,532.24	
Insurance	1,875.90	
Legal fees	6,844.88	
Liquidators fees	21,292.74	
PAYE paid	1,827.30	
Preferential payment - wages and holiday pay	5,216.46	
Purchases - Trading	85.00	
Rates	222.22	
RWT on Interest	1.17	
Secured Creditors	42,224.00	
Security	926.00	
Stationery/Courier	9.38	
Telephone	320.99	
Travel	7.44	
Valuation	830.00	
Wages	2,438.30	
Software Purchase	903.23	
	<hr/>	96,789.55

Net Funds

60.00

Represented By:

National Bank - Trust Account

60.00

60.00
