

Boss Industries Limited (In Liquidation)

Liquidators First Report

4 January 2008

1. Background

Boss Industries Limited (“the company”) was placed into liquidation by way of special resolution of the shareholders on the 24th of December 2007, at 3.30pm. 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 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: 9th September 1994

Trading Address: 27A Station Road, Te Puke

Type of business: Aluminium Boat Builder

Date trading ceased: 14th December 2007

Shareholders: Tony Noel Peterson

Director: Tony Noel Peterson

4. Events leading to appointment of Liquidators

The company manufactured a good quality product, being alloy boats, but due to undercapitalisation and a downturn in the market the business was unable to generate sufficient cash flow to keep creditors current. The director entered into discussions with parties for the sale of the business but prior to that being concluded, one creditor, during the director’s absence entered the premises and removed valuable assets in lieu of debt due. This significantly reduced the value of the business being sold with only intellectual rights and a couple of jigs then able to be sold. Subsequent to that the director arranged for the company to be placed into liquidation.

5. Statement of Affairs

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

This has been prepared from information provided by the director of the company and the Liquidators are not yet able to express an opinion on the validity of that information. The debtors were all collected prior to liquidation and only a small quantity of assets remain, of limited value.

The Liquidators have yet to receive a confirmation from the Inland Revenue Department of any outstanding debts due to them, so the estimates given may change.

6. Proposals for Conducting the Liquidation

The Liquidators will sell the assets of value and conduct an investigation of the company's books and records to establish if there are any potentially voidable transactions that require investigation, particularly the removal of some assets by a creditor prior to the liquidation. The shareholder injected significant funds into the business and so there is no current account debt due by him to the company; nevertheless, the Liquidators will review the actions of the director to ensure he has complied with the duties and obligations imposed on him under the Companies Act 1993.

7. Estimated Date of Completion of Liquidation

It is not practicable to estimate the date of the completion of the liquidation at this stage.

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 Steph Harborne on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form before 29th February 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 Steph Harborne at our Tauranga Office.

Kenneth Peter Brown
Joint Liquidator

Statement of Affairs of
 Boss Industries Limited (In Liquidation)
 As at the date of the appointment of the Liquidators being
 24th December 2007

	<i>Book value</i>	<i>Estimated to realise</i>
	\$	\$
Assets not specifically charged		
Cash at bank	3,000	3,000
Plant and equipment	5,000	<u>2,500</u>
		5,500
Assets subject to fixed charges including general security agreements, mortgage, IBWS, hire purchase agreements		0
		<u>5,500</u>
Estimated assets available to preferential creditors and unsecured creditors		
Less preferential creditors:		
Employees' claims	0	
GST	1,000	
PAYE	<u>1,000</u>	
		<u>2,000</u>
Estimated assets available to unsecured creditors		3,500
Unsecured creditors		<u>275,972</u>
Estimated surplus/(deficit) (subject to costs of liquidation)		<u><u>(272,472)</u></u>
Share capital		100

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
 4 January 2008*

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List of Creditors:

Air Liquide NZ Ltd
Altex Coatings Ltd
Anzor Fasteners Ltd
Aquatech Marine Ltd
BOC Gases Ltd
Brian Gibney Autos Ltd
Compas Communications
Enviro Waste Services Ltd
Hose Supplies NZ Ltd
Inland Revenue Department
Marine Canvas
Marine Direct Ltd
Maxwell Marine Ltd
Mico Metals
Montana Trust
National Aluminium Ltd
Peake Panel & Paint
Prescott Trailers
Rubbermark Industries Ltd
Shape & Spray Automotive Ltd
Slingshot
Snap Printing Tauranga
SPW
Tauranga Press Brake Services
Taylormade Systems Ltd
Te Puke Rewinds
Telecom NZ Ltd
Tenob Wholesale Marines Ltd
Trustpower
Tuff Plastics Moulders
Ullrich Aluminium Co Ltd
Weldwell