

Castle Products (NZ) Limited (In Liquidation)

Liquidators First Report

23 December 2008

1. Background

Castle Products (NZ) Limited ("the company") was placed into liquidation by a special resolution of the shareholders on the 16th day of December 2008, at 4.59 pm. Robert James Neilson 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: 29 March 2007

Type of business: Manufacture and construction of composite panel fences

Date trading ceased: Not trading at the date of liquidation

Former Trading Address: 64d Maleme Street, Greerton, Tauranga

Shareholders: Richard Lyell, Tyree
Suzanne Stelmock
John Dennis Eagleton
Barry Anthony Williams
Laurence John Ryan
Sarah Jane Fleming

Director: Barry Anthony Williams

Events leading to appointment of Liquidators

In 2007 the company commenced operation at 64d Maleme Street, Greerton in Tauranga. The business involved the manufacture of a composite panel fence which involved the use of expanded polystyrene and resins, and then using traditional plaster.

With the downturn in the economy through December 2007 to March 2008, the building and general construction market experienced a substantial downturn to the extent that the company was unable to get any further contracts.

After seeking advice and in discussions with the shareholders the director had no option but to place the company in liquidation.

4. Statement of Affairs

We attach as *Appendix 1* a statement of the company's affairs as at the date of our appointment.

A Creditors Schedule as at the date of appointment is also attached as *Appendix 2*.

5. Proposals for Conducting the Liquidation

The Liquidators will review all the available accounting and statutory information, which will include pursuing available debtors, and will seek to establish if there were any potentially voidable transactions made by the company.

Further we will look to establish if the directors have completed their statutory duties as required by the Companies Act 1993.

6. 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. It is anticipated that the next report will be the final report, but if there is a delay for any reason the next report will be 6 months after appointment.

7. 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 small and the costs of holding a meeting would be out of proportion to any value arising.

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.

8. Creditors Claims

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

Please complete and return the enclosed Unsecured Creditors Claim form by 30th November 2008 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.

9. Further Information

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



Robbie James Neilson
Joint Liquidator

Appendix I

Statement of Affairs of
Castle Products (NZ) Limited (In Liquidation)
as at the 19th December 2008.

<u>ASSETS</u>		Estimated Realisable Value
Other Assets	Unpaid Capital - J Eagleton	<i>unknown</i>
Accounts Receivable	Mr Fencer - Hamilton	14,000
Fixed Assets	Plant & Equipment (At Book Value)	9,267
	Total Assets	<u>23,267.</u>
<u>LIABILITIES</u>		
<u>PREFERENTIAL CREDITORS</u>		
Inland Revenue Department	PAYE (Estimate)	8,000
	GST (Estimate)	1,750
	SECURED CREDITORS	3,997
<u>UNSECURED CREDITORS</u>		
Non PPSR Charge Holders	Accounts Payable	23,781
	Accident Compensation Corporation	<u>2,803</u>
	Total Liabilities	<u>26,584</u>
	Net Deficit	<u>17,064</u>

Note 1

The statement excludes any liability for the shareholders current accounts and any intercompany and related party debts, with the exception of the GSA holder, which are currently being established. Further no allowance has been made for liquidation costs.

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 2

Castle Products (NZ) Limited (In Liquidation)

Schedule of Creditors as at 16 December 2008

Accident Compensation Corporation	Debt Management Unit	PO Box 3248	Wellington
Anything Stainless		16 Glasgow Street	Tauranga
Birks Family Trust	C/- N & J Birks	23 Layland Road, RD6	Tauranga 3176
Bondor New Zealand	P O Box 11-169	Ellerslie	Auckland 1542
Greerton Engineering Ltd	P O Box 3155	Greerton	Tauranga 3142
Inland Revenue Dept	Private Bag		Tauranga
JJ Richards Limited	P O Box 76647	Manukau city	Auckland 2241
Mainfreight Ltd	P O Box 14038	Panmure	Auckland
Plaster Centre Limited	P O Box 9176	Greerton	Tauranga 3112
Precision Laser Cutting Ltd	P O Box 22860	Otahuhu	Auckland
Resene Paints Limited	P O Box 38242	Wellington Mail Centre	Wellington 5045
TrustPower			
TelstraClear	Private Bag 92143		Auckland
Tru Fold Products	64D Maleme Street	P O Box 3094	Tauranga