

Etch Limited (In Liquidation)

Liquidators First Report

08 May 2009

1. Background

Etch Limited ("the company") was placed into liquidation by special resolution of the shareholders on the 30th day of April 2009 at 3.20pm. 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: 18 March 2008
Trading Address: Formerly, Goddard Centre, Grey Street, Tauranga
Type of business: Clothing business
Date trading ceased: 20 March 2009
Shareholder: Rachel Joy Atmore Byrne
Director: Rachel Joy Atmore Byrne

4. Events leading to appointment of Liquidators

The company accountant advised the company had experienced difficult trading conditions in the current economic recession resulting in poor cash flow, leading to the decision to cease trading and proceed with voluntary 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 company and the Liquidators are not yet able to express an opinion on the validity of that information.

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

6. Proposals for Conducting the Liquidation

The remaining assets and stock of the business will be sold. The company's secured creditor is owed \$84,321 secured under a General Security Agreement, which is unlikely to be repaid in full. As a consequence we do not anticipate that there will be any dividends to distribute to unsecured creditors. Once all the books and records have been received the liquidators shall examine those to establish whether there are any other avenues for recovery.

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 by 12 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 Marilyn Thorne at our Tauranga Office.



Kenneth Peter Brown
Joint Liquidator

Appendix I

Etch Limited (In Liquidation)
Statement of Affairs
as at the date of the appointment of the
Liquidators being 30 April 2009

	<i>Book value</i>	<i>Estimated to realise</i>
	\$	\$
Assets		
Stock	35,753	20,000
Cash in Bank	631	631
Goodwill	19,810	0
Fixed assets	10,893	<u>10,000</u>
		30,631
Less Secured Claims		
C & S Hadfield		82,076
Deficit before Unsecured Creditors		(51,445)
Less Unsecured Creditors		
Trade Creditors		53,495
Deficit (before costs of liquidation)		(104,940)

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

Etch Limited (In Liquidation) Schedule of Creditors as at 30 April 2009

Anna Killick	2/24 Kulim Avenue	Bureta	Tauranga3110
BOP Shop Supplies	PO Box 262		Tauranga
BOP Times	108 Durham Street		Tauranga
Chelsea Thorpe	PO Box 1304		Gisborne 4010
Datadog Ltd	71 Otumoetai Road		Tauranga
Deadly Ponies	34 Allendale Road	Mt Albert	Auckland
Eftpos	PO Box 3457		Wellington
Emma Wallace Ltd	156 Derwent Street	Island Bay	Wellington
Georgina Baker	14/45 Byron Avenue	Takapuna	Auckland 0622
Ginger Lover	C/- 2/14 Sussex Street		Auckland 1021
Goddards Centre Ltd	National Property Trust	PO Box 1894	Wellington
Gopher	C/- Accounts Enforcement Ltd	PO Box 8536	Auckland 1150
Kagi Ltd	PO Box 106848		Auckland City 1010
Kim B Designs			
Kim Batchelor Jewellery	PO Box 3184		New Plymouth
V U Kuecke	116 Maeroa Road		Hamilton
Lonely Hearts Club	Studio 2, 13 Barrys Point Road	Takapuna	Auckland
Meadowlark	PO Box 8215	Symonds Street	Auckland
Paris House Ltd	654 Waipapa	Hataitai	Wellington 6022
Penny Foggo Design	59 Highbury Road	Highbury	Wellington 6012
Pilfer & Kitsch	24 Carmichael Road	Bethlehem	Tauranga 3110
Quay Accountants	PO Box 704		Whakatane 3158
Scott Chapman	27 Anglesea Street	Ponsonby	Auckland
Salasai Ltd	700e St Aubyn Street		Hastings
Radio Network	PO Box 1147		Rotorua
Sera Lilly	62 Ponsonby Road	Ponsonby	Auckland
Sheryl May	17 Clifford Street		Gisborne
Sphere Design Ltd	PO Box 147233	Ponsonby	Auckland
Stolen Girlfriends Club	Private Bag MBE P263		Auckland
Telecom	Private Bag 4742		Christchurch
Trustpower	Private Bag 12023		Tauranga
Vodafone	PO Box 90112		Auckland 1142
Visa			
Yellow pages	PO Box 17-157	Greenlane	Auckland
27 Names	Level 2, 12 Knigges Avenue	Te Aro	Wellington