

Gates & Fences (Auckland) Limited (In Liquidation)

Liquidators First Report

26 January 2009

1. Background

Gates & Fences (Auckland) Limited ("the company") was placed into liquidation by order of the High Court at Auckland on the 19th day of December 2008 at 11.20am. Kenneth Peter Brown and Robert James Neilson, Chartered Accountants of Tauranga were appointed as Joint and Several Liquidators of the company.

2. Disclaimer

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3. Company Information

Date of Incorporation: 21 February 2005
Trading Address: East Tamaki, Auckland
Type of business: Manufacture of gates & fences
Date trading ceased: April 2008
Shareholder: Pope Industries Limited
Directors: Dennis Wayne Pope
Sandra Marie Pope

4. Events leading to appointment of Liquidators

The directors of the company have advised the reason for the failure of the company was due to considerable trading losses to March 2008, which could not be recovered. A major supplier from Australia successfully applied to the Court to have a Liquidator appointed. Prior to liquidation the directors agreed to sell the assets to another party.

5. Statement of Affairs

We attach as *Appendix I* a statement of the company's affairs as at the date of our appointment which includes a list of known creditors as at the date of appointment.

This has been prepared from information provided by a director of the company and the Liquidators are not yet able to express an opinion on the validity of that information.

6. Proposals for Conducting the Liquidation

We have only just received the records from the company accountant and will now review those to establish how the sale was effected and how the funds were disbursed. Furthermore the Liquidators will review the directors conduct leading up to the liquidation to check for any breaches of the Companies Act 1993. A check for any voidable preference payments will also be undertaken.

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 14 March 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.

A handwritten signature in black ink, appearing to read 'Kenneth Peter Brown', with a long horizontal line extending to the right.

Kenneth Peter Brown
Joint Liquidator

Appendix I
 Gates & Fences (Auckland) Limited (In Liquidation)
 Statement of Affairs
 as at the date of the appointment of the Liquidators
 being 19 December 2008.

	<i>Estimated to realise</i>
Assets	
Tools, Plant & Equipment	Nil
Debtors	Nil
Cash in Bank	Nil
Less Secured Claims	
System Fortytwo	272
Less Preferential Claims	
	Nil
Deficit before Unsecured Creditors	(272)
Less Unsecured Creditors	19388
Deficit (before costs of liquidation)	(19660)

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

Schedule of Creditors as at 19 December 2008

Pro Metals Pty Limited	39 Leonard Point, Kangaroo Point	Queensland	Australia
System Fortytwo	PO Box 911117	AMC	Auckland