

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Mike Lamacraft

Liquidators' First Report

Unisource Limited (In Liquidation)

1. Appointment

We advise that Arron Leslie Heath and Michael Lamacraft were appointed joint and several Liquidators of the above company on 2 March 2006 by special resolution of shareholders.

Arron Heath and Mike Lamacraft are full time Insolvency Practitioners. They have not previously acted in any capacity for the company or the officers and shareholders of the company.

2. Background

<i>Date of Incorporation:</i>	15 July 1994
<i>Trading Address:</i>	413 Henderson Valley Road, Henderson, Auckland
<i>Type of Business:</i>	Sale of Packaging and Cleaning Products
<i>Date Ceased Trading:</i>	31 March 2005
<i>Shareholders:</i>	Bruce Parkinson 500 shares Rachael Parkinson 500 shares
<i>Directors:</i>	Bruce Parkinson Rachael Parkinson
<i>Share Capital:</i>	1,000 ordinary shares
<i>Date of Liquidation:</i>	2 March 2006

3. Events Leading to Appointment

We are advised that the company had been unprofitable for some time. Efforts to restructure the business did not improve cash flow and eventually the decision was taken to sell the business. A sale was settled in March 2005 and it had been hoped that the profit share arrangement would produce sufficient funds to pay creditors over time. The director later realised that liabilities were higher than forecast and that creditors could not be paid in full. Having taken advice the director determined that the proper course of action was to place the company in to liquidation.



4. Statement of Affairs

The Liquidators have prepared an Estimated Statement of Affairs being the assets and liabilities of the company at the date of liquidation. We attach a copy.

5. Proposals for Conducting the Liquidation

5.1 Realisation of Assets

Every effort will be made to maximise the recovery from debtors. Fixed assets will be sold at auction or by private treaty.

5.2 Investigations

The Liquidators will review the company's books and records, conduct an initial investigation into the trading affairs of the company and conduct all other investigations that the Liquidators are charged to do.

6. Creditors Claim Form

Creditors should complete and return the attached Creditor's claim form by 3 April 2006. Creditors who do not make a claim within the period may be excluded from any distribution that may be made.

7. Retention of Title Claims/Security Interests

Please note, if you believe you have a valid retention of title claim or security interest over goods or equipment supplied to Unisource Limited (In Liquidation), and you have not yet contacted the Liquidators, please contact us immediately.

8. Initial Creditors Meeting

As it is unlikely there will be a distribution to creditors, pursuant to s245 of the Companies Act 1993 the Liquidators propose to dispense with the meeting of creditors to consider whether to appoint different Liquidators, and to consider the views of creditors.

Accordingly a meeting of creditors will not be called unless a creditor gives notice to the Liquidators within 10 working days after receiving this notice, requiring a meeting to be called.

9. Liquidation Committee

At any time during the liquidation, any creditor may in writing, request the Liquidators to call a meeting of creditors to consider whether a Liquidation Committee should be appointed, and if so, to choose the members of the Committee.

A Liquidation Committee has certain powers set out in s315 of the Companies Act 1993, including to assist the Liquidators as appropriate in the conduct of the liquidation.

10. Estimated Date of Completion of Liquidation

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

Enquiries should be directed to: Mike Lamacraft

M Lamacraft
Liquidator

Dated this 3rd day of March 2006

Attach:

**Estimated Statement of Affairs of
Unisource Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 2 March 2006**

	<i>Estimated Realisable Value \$</i>
Assets not Specifically Pledged:	
Cash at Bank	28,000
Debtors	1,000
Equipment	500
Motor Vehicles	5,000
	34,500
Estimated Total Assets Available for Preferential Creditors	
First Ranking Preferential Creditors	
Wages and Holiday Pay (Includes PAYE)	Nil
	34,500
Second Ranking Preferential Creditors	
Inland Revenue Department	
GST	(31,000)
PAYE	(8,000)
	(39,000)
Estimated Deficiency as regards Preferential Creditors	
Unsecured Creditors	(4,500)
	(102,000)
Estimated Total Deficiency as regards Unsecured Creditors	
Issued and Paid Up Capital	(1,000)
	(107,500)
Estimated Total Deficiency as regards Unsecured Creditors and Shareholders	

Note: The above estimates are subject to the costs of realisation, including Liquidators' fees.

Disclaimer of Liability:

We have prepared the Estimated Statement of Affairs as at the date of liquidation being 2 March 2006.

The Estimated Statement of Affairs has been prepared based on information from the books and records of the company together with information supplied by the Director. This information has not been verified. The Liquidators have not carried out an audit or reviewed the information supplied and therefore they do not accept any responsibility for the accuracy of the information from which the Estimated Statement of Affairs has been prepared. Further, the Estimated Statement of Affairs has been prepared for the purpose of the liquidation only, and the Liquidators do not accept any responsibility on any ground whatever, including liability in negligence, to any other person.