

GERARD HULST & ASSOCIATES
CHARTERED ACCOUNTANTS

Box 6901 Wellesley Street
Auckland 1

Telephone : (09) 357 6756

Facsimile : (09) 303 3371

e-mail : gerard@hulst.co.nz

www.hulst.co.nz

File ref.: 4/1
document : report01e

LIQUIDATOR'S FIRST REPORT

(pursuant to section 255 of the Companies Act 1993)

to the Creditors and Shareholders of

COMMERCIAL ACCOUNTING SYSTEMS Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company pursuant to a resolution of the shareholders dated 7th March 2002. The resolution was timed at 8.00 am.

The Liquidator takes no responsibility for any misinformation contained in this report that has been supplied by the company, its officers or other persons.

COMPANY INFORMATION

| | | |
|--------------------------------|---------------------------------|---------------|
| Date of Incorporation : | 23 December 1997 | |
| Company Number : | AK 889151 | |
| Trading Address : | 3047 Great North Road, New Lynn | |
| Type of Business : | Computer software supplier. | |
| Date trading ceased : | 6 th March 2002 | |
| Share Capital : | 40,000 shares | |
| Shareholders : | Egas Software Limited | 21,422 shares |
| | Bolton Trust | 10,400 shares |
| | Rauhuia Trust | 2,400 shares |
| | Hooper Orthopaedic Ltd | 4,445 shares |
| | Peter Sullivan | 1,333 shares |
| Directors : | Jon LAMB | |
| | Geoffrey NIGHTINGALE | |
| | Daymon NIN | |
| | Peter SULLIVAN | |

A statement of the company's financial position (assets and liabilities) at the date of liquidation is included with this report.

OBSERVATIONS

The company traded as Sage New Zealand and was engaged in the sale and support of Sage Software.

In or about November 1999 Commercial Accounting Systems Limited purchased the assets of Enterprise Business Solutions Ltd. This purchase made commercial sense because of the restructuring of The Sage Group plc in the UK. at that time.

In or about June 2001 Commercial Accounting Systems Limited had a need for new equity. An investor was approached and agreed to invest. After due diligence it was decided that a new entity be created rather than go through the convoluted process of rearranging the existing shareholdings.

I have been provided with a copy of the Sage distribution agreement. The agreement cannot be assigned without the prior written consent of The Sage Group plc. The consent to assign was obtained.

On 6th March 2002 the business of Commercial Accounting Systems Limited was sold to Egas Software Limited. The new company has accepted responsibility for all the trade creditors including PAYE and GST obligations.

Specifically excluded from the purchase are the previous and current Directors and Shareholders loan accounts.

FINANCIAL INFORMATION

The last set of financial accounts for the company is for the year ended 30 September 1999. These accounts were prepared by McGregor Bailey, Chartered Accountants.

Management accounts have been provided up to 30 September 2001.

Assets and Liabilities identified by the Liquidator are :

| | Estimated Realisable Value |
|---------------------------------------|---------------------------------------|
| <u>Assets</u> | |
| Bank Account | 11,000 |
| <u>Liabilities</u> | |
| Shareholder Loan accounts - estimated | 220,000 |

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

The bank account will be closed. There are no other assets to dispose.

OTHER ACTIONS OF THE LIQUIDATOR

I will conduct an investigation into the affairs of the company;

- a) To determine that no creditors have been disadvantaged by the sale.
- b) To determine that the sale price and process was fair.
- c) To establish whether the past or present directors or shareholders owe any money to the company and to pursue recovery thereof.
- d) To determine if there are any voidable transactions and to pursue recovery thereof.

ESTIMATED COMPLETION DATE

The administration is expected to be completed by 7th March 2003, subject to any court actions.

PROSPECT OF DIVIDEND

It is unlikely that there will be a dividend to creditors.

NOTICE REGARDING MEETINGS

Having regard to the assets and liabilities of the company, the likely result of the liquidation and other relevant matters, the Liquidator considers in accordance with section 245 of the Companies Act 1993 that no meeting of creditors should be held at this time.

Consequently, a meeting of creditors will not be held unless within 14 days after receiving this notice a creditor gives notice in writing to the Liquidator requiring a meeting to be called.

LIQUIDATION COMMITTEE

At any time during the liquidation, any creditor may in writing request the Liquidator 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 Liquidator as appropriate in the conduct of the liquidation.



Gerard Hulst
Liquidator
Dated this 19th day of March 2002.

