

GERARD HULST & ASSOCIATES
CHARTERED ACCOUNTANTS

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LIQUIDATOR'S FIRST REPORT

(pursuant to section 255 of the Companies Act 1993)

to the Creditors and Shareholders of

Nebuli Communications Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company by order of the High Court at Auckland on 30th day of August 2001 at 11.20am.

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 : 27th April 1999

Company Number : AK953245

Trading Address : 8th Floor, 45 O'Rorke Road, Penrose, Auckland.

Type of Business : Software Developers

Date trading ceased : April 2000

Share Capital : 133 shares

Shareholders :

| | |
|---------------|------------|
| Debbie NEWMAN | Joint - 50 |
| Larrie NEWMAN | Joint - 50 |
| Stephen DOYLE | 50 |

Directors :

Larrie NEWMAN
Stephen DOYLE

High Court Reference : M62 – IM01

Petitioning Creditor : The company was placed in Liquidation on the petition of The Commissioner of Inland Revenue for \$33,370.62 being FBT, GST and PAYE. Costs of \$2,600.00 plus disbursements of \$484.87 were awarded.

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

OBSERVATIONS

The company operated a computer software development business. They focused on developing an Internet push technology product called 'e-plus'.

Mr Newman's and Mr Doyle's opinion for why the company failed was that the person who came up with the idea, Karl Thorley, stated that the product was ready to be marketed. However, it was 3-6 months away. Funding was made available by Paul Brynes. These funds were spent on developing the product rather than marketing it.

The software and intellectual property are currently held by the debentureholder, Paul Brynes.

The company computer and scanner were taken by Karl Thorley, in lieu of money claimed to be owed. The company's furniture and fittings were left at the office premises.

Karl Thorley was employed by the business. We note that he was made bankrupt on the 23rd July 1997 and discharged on 23rd July 2000. Newman and Doyle have advised us that Thorley did not disclose his bankruptcy until after the company had commenced business.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

An Internet search of the companies register shows that Stephen DOYLE is associated with the following company(s):

| Company | Details | Status | Changes |
|-----------------------------------|------------|-------------------------|---------|
| Digital Marketing Systems Limited | Registered | Director Shareholder | |

Larrie NEWMAN is associated with the following company(s):

| Company | Details | Status | Changes |
|---|------------|-------------------------|---------|
| Kingfisher – Tui Limited | Registered | Director | |
| Speedac Enterprises Limited | Struck off | Director Shareholder | |
| Bandwidth Limited | Registered | Director Shareholder | |
| Information Fulfilment (NZ) Limited (In Liquidation) | Struck off | Director Shareholder | |
| The Smile Centre Publishing House Limited | Registered | Shareholder | |
| Jme Numan Limited | Registered | Shareholder | |

FINANCIAL INFORMATION

The last set of financial accounts for the company were for the year ended 31 March 2000 and were completed by the company's internal management accountant.

Assets and Liabilities identified by the Liquidator are:

| | Estimated Realisable Value |
|--------------------------------|-------------------------------|
| <u>Assets</u> | |
| Nil | |
| <u>Liabilities</u> | |
| Inland Revenue Department | 33,370.62 |
| Denbentureholder – Paul Brynes | unknown |
| Unsecured Creditors | unknown |

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

There are no known assets.

OTHER ACTIONS OF THE LIQUIDATOR

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

- a) To determine the date of insolvency
- b) To determine the conduct of the Directors
- c) To establish whether the directors 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 30th August 2002, subject to any court actions.

PROSPECT OF DIVIDEND

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

In the absence of a liquidation committee, the Liquidator will work closely with the petitioning creditor.



**Gerard Hulst
Liquidator**

Dated this 27th day of September 2001.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Nebuli Communications Limited (In Liquidation)

P.O Box 6901 Wellesley Street, Auckland 1

Name and postal address of creditor in full:**Telephone Number:****Facsimile Number:****Amount Claimed:**

\$

I, _____

(title if claim is not on behalf of an individual) _____
 claim that the company was at the date it was put into liquidation indebted to the above named creditor for the amount claimed. We hold no security for the amount claimed.

PARTICULARS OF CLAIM

| Invoice Date | Invoice Number | Brief Description of Goods or Services Provided | Invoice Amount |
|--------------|----------------|---|----------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Attach separate sheet if space is insufficient

You are not required to attach any supporting documents at this stage, but you may attach them now, if you think it would expedite the processing of the claim. The liquidator may require the production of all documents.

WARNING: It is an offence under the Companies Act to make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Signed:**Date:****RESERVED FOR LIQUIDATOR'S DECISION**

CLAIM ADMITTED FOR PAYMENT

OR

CLAIM REJECTED FOR PAYMENT

Preferential Claim

Ordinary Claim

Deferred Claim

\$

\$

\$

Signed Liquidator:

Dated: