

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

SUB ELECTRICAL Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company pursuant to a resolution of the shareholders dated 16 October 2001. The resolution was timed at 12.20 pm.

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 :	19 June 1998	
Company Number :	AK 912610	
Trading Address :	Unit A, 60 Portage Road, New Lynn, Auckland 8	
Type of Business :	Cable Looms and Electrical Assemblies	
Date trading ceased :	16 October 2001	
Share Capital :	1,000 shares	
Shareholders :	Brian Robert CHAPMAN	500 shares
	Carol Ann CHAPMAN	500 shares
Directors :	Brian Robert CHAPMAN	
	Carol Ann CHAPMAN	

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

OBSERVATIONS

The company specialised in assembling cable looms.

The company had one major customer (Selecon New Zealand) and about 10 other minor customers.

In August 2001, Selecon New Zealand made a decision to assemble all their looms "in house". This information was conveyed to the company in October 2001. The company was told that Selecon's intention was for a gradual taking back of the work with all contracting ceasing in February 2002.

Unfortunately the company did not have the resources or the customer base to change and meet this challenge.

The drop off in work from August was also noticeable and had a dramatic effect on profit.

The Directors knew that if they continued to trade in the hope that things would get better, creditors stood to lose.

Based on this information the Shareholders took the responsible option and decided to cease to trade.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

Brian and Carol Chapman are not associated with any other companies.

FINANCIAL INFORMATION

The last set of financial accounts for the company were for the year ended 31 March 2001 and were completed by Davidson & Associates Ltd, Chartered Accountants.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
Trade Debtors	79,592
Insurance claim	26,750
Stock – all relevant to Selecon work	19,000
Fixed Assets	9,000
	<u>\$ 134,342</u>
<u>Liabilities</u>	
Staff – preferential holiday pay	6,000
IRD – Preferential PAYE	2,562
IRD – Preferential GST	16,000
2 x Unsecured Loan facilities	73,566
24 x Unsecured Trade Creditors	71,253
	<u>\$ 169,381</u>

The above figures are subject to the costs of the liquidation.

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

Debtors – These will be collected in the normal course of business.

Insurance Claim – This will be collected in the normal course of business.

Stock – This will be offered to Selecon.

Fixed Assets – These will be sold in the most appropriate manner.

ESTIMATED COMPLETION DATE

The administration is expected to be completed by 30 April 2002.

PROSPECT OF DIVIDEND

Subject to the assets realising close to expectation, the unsecured creditors can expect a dividend of \$0.60 / \$1.00

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 23rd day of October 2001.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Sub Electrical 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
<i>Attach separate sheet if space is insufficient</i>			

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
\$ <input style="width: 150px;" type="text"/>	\$ <input style="width: 150px;" type="text"/>	\$ <input style="width: 150px;" type="text"/>
Signed Liquidator:	Dated:	