

20 October 2009

**FIRST REPORT OF THE LIQUIDATORS  
TO CREDITORS AND MEMBERS OF  
ESCALATE INVESTMENTS LIMITED (IN LIQUIDATION)**

**INTRODUCTION**

Escalate Investments Limited (In Liquidation) ("the company") was placed into liquidation on 8 October 2009 at 10:00am by a special resolution of shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act"). Gareth Russel Hoole and Kevin David Pitfield were appointed joint and several liquidators of the company at that time.

**RESTRICTIONS**

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The liquidators reserve the right (but will be under no obligation) to review this report and, if considered necessary, to revise the report in light of any information existing at the date of this report which becomes known to them after that date.

**BACKGROUND AND STATEMENT OF POSITION**

**Directors and Shareholders**

On the date of the appointment of the liquidators the records of the company reflected the following:

Directors:                   Anthony John Phemister  
                                  Mark William Andrew Wills

Shareholders:             Anthony John Phemister  
                                  Mark William Andrew Wills

**History**

The company was incorporated as Escalate Investments Limited on 6 December 2005.

The principal business of the company was that of investment. The company held the shares of a subsidiary company, Fence-Pro Limited (In Liquidation) (“Fence-Pro”).

### **Actions Taken To Date**

The liquidators have confirmed that the company acted as a holding company. The only asset of the company is the shareholding in Fence-Pro.

### **Statement of Position**

Attached by way of Appendix 1 is the Statement of Position of the company as at 8 October 2009, as advised by the management of the company. The information contained in the attached statement of position was provided by the management of the company and, as yet, has not been investigated by the liquidators. It is possible that subsequent investigation could result in a revision of the information thus presented.

### **Securities and Charges**

A search of the Personal Property Securities Register has revealed two registered General Security Agreements in favour of ANZ National Bank and Buytime NZ Trust & Jarero Trust.

Apart from creditors designated as preferential in terms of the Seventh Schedule of the Companies Act 1993 and the secured creditors referred to above, all other creditors of the company will rank as unsecured.

## **PROPOSALS FOR THE CONDUCT OF THE LIQUIDATION**

Investigations into the existence and whereabouts of any assets not identified at the date of this report will be undertaken.

The liquidators will review disbursements made by the company in the period beginning on 8 October 2007 through to their appointment for purposes of determining whether any such transactions can be considered voidable within the ambit of Section 292 of the Companies Act 1993.

From the records made available to the liquidators, at the time of appointment the company was prima facie insolvent. At this time they have not been able to determine how long the company traded under insolvent circumstances, if at all. However, they will conduct the appropriate investigation in this regard and report their findings to the Registrar of Companies as considered necessary. The liquidators will pursue appropriate action against the director to the extent considered economically beneficial if evidence exists to support such action.

## **CREDITORS' MEETING**

The liquidators advise that a meeting of creditors will be held at Level 9, Tower Centre, 45 Queen Street, Auckland on 27 October 2009 at 10.00am. Please find documentation in relation thereto enclosed with this report.

**UNSECURED CREDITORS CLAIM FORM**

An unsecured creditor's claim form is enclosed for your convenience. The liquidators request that this be completed and returned to their office together with supporting documentation to register your claim in this liquidation by 9 November 2009.

If you believe that you hold security for your claim please advise the liquidators, in writing, providing supporting documentation and all other details of the nature of the security that you believe you hold.

**ESTIMATED DATE OF COMPLETION OF LIQUIDATION**

Subject to any unforeseen matters arising from the investigation of the company's affairs and the timeframe associated with the collection of receivables the liquidators tentatively estimate that this liquidation will be completed within the next six months.

Please note that all subsequent reports prepared by the liquidators will not be mailed to the creditors and members of the company, but will be available on the New Zealand Companies Office and Staples Rodway websites.

Should you have any queries regarding the liquidation of the company, please do not hesitate to contact Tania Watson at the office of the liquidators on telephone 309 0463, extension 269.



.....  
Gareth Russel Hoole  
JOINT LIQUIDATOR



.....  
Kevin David Pitfield  
JOINT LIQUIDATOR

**APPENDIX I**

**ESCALATE INVESTMENTS LIMITED (In Liquidation)  
STATEMENT OF POSITION AS AT 8 OCTOBER 2009**

<b>Assets</b>	Book Value	Estimated Realisable Value
Shares – Fence-Pro Limited (In Liquidation)	<u>Unknown</u>	<i>1</i>
<b>TOTAL ASSETS</b>	<u>Unknown</u>	
 <b>Liabilities</b>		
ANZ National Bank – Secured	370 – 400,000	
Buytime NZ Trust/Jarero Trust – Secured	Unknown	<i>2</i>
<b>TOTAL LIABILITIES</b>	<u>0</u>	
<b>DEFICIT: LIABILITIES OVER ASSETS</b>	<u>Unknown</u>	

1. The liquidators have not determined the cost nor sought to establish a market value of the shares purchased. As Fence-Pro is now in liquidation, these shares do not appear to have any value.
2. Funds have been provided to the company by the Buytime NZ Trust and the Jarero Trust. These trusts are related entities and the balance outstanding has not been determined.

**APPENDIX II**

**ESCALATE INVESTMENTS LIMITED (In Liquidation)  
CREDITORS LISTING AS AT 8 OCTOBER 2009**

<u>Name</u>	<u>Address</u>
ANZ National Bank Limited	PO Box 9886, Newmarket, AUCKLAND
Buytime NZ Limited	St Heliers, AUCKLAND
Jarero Trust	Glendowie, AUCKLAND