

11 April 2008

**FIRST REPORT OF THE LIQUIDATORS
TO CREDITORS AND MEMBERS OF
VADAR SECURITIES LIMITED (In Liquidation)**

INTRODUCTION

Vadar Securities Limited (In Liquidation) ("the company") was placed into liquidation on 31 March 2008 at 11:00 am 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

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose without the liquidators' written permission in each specific instance. The liquidators, Staples Rodway Limited, its employees and agents do not assume any responsibility or liability for any losses occasioned to any party for any reason including as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

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 us after that date.

BACKGROUND AND STATEMENT OF POSITION

Director and Shareholder

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

Shareholders: Margaret Phillips and Simon Kember as trustees of the Margaret Phillips Trust

Directors: Margaret Anne Phillips and Wendell Fletcher Phillips

History

The company was incorporated as Vadar Securities Limited on 16 August 1979.

The principal business of the company was that of financing.

The company ceased trading in 2006 and the shareholders decided that the company had served its useful purpose and should be wound up.

Statement of Position

Attached by way of Appendix 1 is the Statement of Position of the company as at 31 March 2008, 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 no registered security interests.

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.

Subject to any creditor claims that may arise, the liquidators propose to wind up the company after the date for proving claims has passed.

From the records made available to the liquidators the company was solvent at the date of appointment of the liquidators.

CREDITORS' MEETING

Pursuant to Section 245 of the Act, the liquidators have decided to dispense with a meeting of creditors. There were no known creditors at date of liquidation.

Pursuant to Section 314(1) of the Companies Act 1993, any creditor or shareholder of the company may require the liquidators to call a meeting of creditors or shareholders by giving written notice to the liquidators, within 10 days of receipt of this circular.

ESTIMATED DATE OF COMPLETION OF LIQUIDATION

Given the relatively simple procedural aspects to the liquidation of a solvent company with no known creditors, the liquidators tentatively estimate that this liquidation will be completed within three months.

Please note that all subsequent reports prepared by the liquidators will not be mailed to the creditors (if any) 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 the liquidators.



Gareth Russel Hoole
LIQUIDATOR



Kevin David Pitfield
LIQUIDATOR

APPENDIX 1

**VADAR SECURITIES LIMITED (IN LIQUIDATION)
STATEMENT OF POSITION AS AT 31 MARCH 2008**

Share Capital	125,000
Capital Reserve	143,926
Retained Earnings	140
	<u>\$269,066</u>
Represented By:	
Loans Receivable	262,843
Taxation Receivable	6,223
	<u>\$ 269,066</u>