

**FIRST AGENDA LIMITED
(IN LIQUIDATION)**

LIQUIDATORS' THIRD REPORT
Pursuant to Section 255(2)(d)
of the Companies Act 1993

**For the period from 24 February 2011
to 9 November 2011**

1. PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION

The liquidators report herewith on the progress made in the liquidation of First Agenda Limited. Included in this report is the liquidators' Statement of Realisations and Distributions to 9 November 2011.

This third report to creditors follows the previous reports and should be read in conjunction with all previous reports. This report is being sent to all shareholders and to all creditors who have filed a claim in the liquidation.

2. REALISATION OF COMPANY ASSETS

2.1 Office furniture

Office furniture totalling \$2,849 has been sold since our last report.

2.2 Intellectual property

As previously advised, the company's intellectual property in relation to the "iCashbook" accounting product was purportedly sold in October 2009 to another company operated by or for the benefit of the then directors of First Agenda.

The liquidators have been provided with a complete set of documents in relation to this transaction.

The liquidators have received numerous inquiries about the validity of the sale from creditors of the company and from other interested parties in the IP purportedly sold. In addition, the liquidators have conducted an extensive review of the sale transaction. The liquidators have provided information to a number of enforcement agencies with regard to the transaction.

In summary, while the liquidators consider that the price to be paid in the sale, if paid, would return a significant sum to the company creditors and could potentially return some funds to shareholders, the liquidators consider that the payment terms of the sale transaction materially disadvantage the company and its creditors.

The sale agreement provided limited recourse to the IP if on sold by the purchaser. The liquidators however consider that as the agreement set out that payment of the purchase price was deferred, the directors of First Agenda should

have sought, and have been provided with security over the items sold. Payments were deferred until 2014, and the ability of the purchaser to pay the purchase price is uncertain. This inaction has disadvantaged the interests of the company creditors.

We therefore consider that the company's directors have breached a number of duties that they owed to the company.

In the meantime, we need to be convinced that the purchaser has the ability to pay the purchase price. If it cannot prove to us that it can pay the purchase price then that may also have consequences. We continue to make enquiries in that regard.

3. CREDITORS' CLAIMS

3.1 Preferential creditors

A preferential claim of \$8,367 was received in respect of the applicant creditor's costs of placing the company into liquidation. This claim has been paid in full.

We are not aware of any other preferential claims.

3.2 Unsecured creditors

As at the date of preparing this report, 16 unsecured creditors' claims have been received which total \$1,242,211. In the interests of minimising liquidators' fees, the liquidators will review the creditors' claims for items and issues that will assist the completion of the liquidators' investigations, but will not attend to the formality of accepting or rejecting creditors' claims unless they are in a position to pay a distribution.

4. INVESTIGATIONS

The liquidators' investigations into the books, records and affairs of the company are almost complete.

5. LIQUIDATORS' FEES

The liquidators' time costs to 9 November 2011 total \$39,923 including GST (\$34,716 excluding GST). These costs are based on 117.5 hours of work undertaken as follows:-

Work Category	Hours	\$
• Appointment and statutory functions	30.6	8,178
• Management and administration	17.4	3,354
• Creditors' claims, enquiries and reports	7.0	1,962
• Taxation	18.9	5,336
• Investigations and asset realisations	43.6	15,886
Totals	117.5	\$34,716

Fees of \$33,310 plus GST have been billed against these costs.

Liquidators' fees in a Court ordered winding up are to be approved by the Court, and if required, a retrospective application for fee approval will be made by the liquidators.

Section 284(1) of the Companies Act 1993 provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

6. FUNDS / LIKELY OUTCOME

All known preferential claims have been paid in full. The level of any dividend to unsecured creditors will depend on the resolution of the legal matter referred to above.

7. MATTERS DELAYING COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Resolution of the sale transaction
- Completion of investigation

8. CONCLUSION

Based on the above the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators within the next 24 months.

Any queries can be directed to Iain McLennan of these offices on (09) 303 9512 or by visiting our website at www.mvp.co.nz.

Yours faithfully
for FIRST AGENDA LIMITED
(IN LIQUIDATION)


IAIN McLENNAN
LIQUIDATOR

DATED this ¹⁴/₁₂ day of February 2012

Number of Company: 1793152

Name of Company: FIRST AGENDA LIMITED (IN LIQUIDATION)

Subject: LIQUIDATOR'S STATEMENT OF REALISATIONS AND DISTRIBUTIONS FOR THE PERIOD 24 AUGUST 2010 TO 9 NOVEMBER 2011

	As per Statement of Affairs \$	Cash Received \$
CASH HAS BEEN RECEIVED AS FOLLOWS:		
GST refunds	Uncertain	68,426
Sale of assets	Nil	2,849
Refunds	-	11
Bank interest	-	628
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TOTAL REALISATIONS	\$-	\$71,914
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CASH HAS BEEN PAID AS FOLLOWS:

Costs of liquidation

Liquidators' fees	33,310
Disbursements	662
Auction costs	833
RWT	204
Bank fees	78

Distributions to creditors

Preferential applicant creditor costs	8,367
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TOTAL DISTRIBUTIONS

\$43,454

TOTAL REALISATIONS

71,914

LESS TOTAL DISTRIBUTIONS

43,454

BALANCE HELD

\$28,460

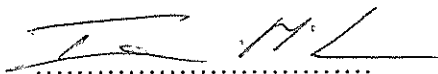
BALANCE REPRESENTED BY:

ASB Bank Limited – Current Account	858
ASB Bank Limited – Interest Bearing Trust Account	27,504
GST Suspense Account	98

TOTAL

\$28,460

Note: The above figures are GST exclusive



IAIN McLENNAN
LIQUIDATOR

Dated this 14th day of February 2012