

**ROBERT B. WALKER** MA(Hons) CA  
CHARTERED ACCOUNTANT

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2 August 2011

The Chief Executive  
Institute of Chartered Accountants in Australia  
**AUSTRALIA**

By email

**MESSRS S SHERMAN, J MELUISH AND R EAGLE OF FERRIER HODGSON**

1. The persons listed above describe themselves as Chartered Accountants. I assume that entails membership of the Institute of Chartered Accountants in Australia (the Institute).
2. All of those persons are administrators of several companies in New Zealand, being WGL Retail Holdings Limited and its subsidiaries.
3. In that capacity those persons prepared and published a Report by Administrators Pursuant to Section 239AU(3) of the Companies Act 1993. That report contained significant financial information. That information is crucial to the decision making required of creditors at a meeting to be held on 4 August 2011.
4. As members of the Institute all three persons were obliged to prepare and present financial information in accordance with APES 205 *Conformity with Accounting Standards*. They have failed abjectly to comply as is described in detail in the attached commentary.
5. I understand that the administrators claim that information presented by the directors is not subject to APES 205. Be that as it may, such an answer is disingenuous as the administrators have included their version of financial information.
6. The financial information they have included is incoherent and seriously incomplete. For example, the directors declared the cash position at the date of administration to be \$8.2 million, but the administrators state that it was \$3.6 million. There is no explanation for the difference.
7. I believe it is your obligation to cause the Report to be withdrawn and the meeting of creditors to which it relates to be postponed until a proper financial report is prepared in accordance with commonly accepted and legally mandated financial reporting requirements. You need to do this as a matter of urgency.
8. Given the significance of the matter this letter and its attachments are to be made public forthwith.

Yours faithfully



**Robert B Walker**

Cc Chief Executive NZICA  
Chief Executive of Insolvency Practitioners Association of Australia

