

Receivers' first report on the state of affairs of 4WD Experience NZ Limited (In Receivership) 'the company' as at 30th of November 2005

Company Number: 1054076

Introduction

Thomas Lee Rodewald and Kenneth Peter Brown, Chartered Accountants of Tauranga, were appointed as Joint Receivers and Managers of all the assets, property and undertakings of the company on 30 September 2005 by IEP Nominees Limited. We were appointed under the powers contained within their General Security Agreement dated 20 October 2003.

We set out below our first report on the state of the affairs of the abovenamed company as required by section 23 of the Receivership Act 1993.

Events leading up to my appointment

The appointment arose as a result of the company's default in meeting payments due to the secured lenders.

Trading on/closure of business

The receivers have elected to continue to trade the business with a view to selling it as a going concern.

Following their appointment, the company assets were valued and insured. The locks were changed and a new security code installed. A company staff member was retained to man the office, attend to track maintenance and provide on-site security during the day. In addition Armourguard monitor the premises after hours.

Property disposed of to date

The small amount of company stock, which all carried the Land Rover logo, has been sold back to Land Rover and payment received. The bank account and a small quantity of debtors have been collected but no other property realised.

Land Rover Franchise

Shortly after the receivers appointment Land Rover cancelled their franchise. As a consequence the receivers were required to remove all Land Rover advertising, domain name and link on the web site.

Proposals for sale of the business

The business was advertised for sale in the local newspaper and New Zealand Herald on three separate occasions. Initially there was good interest in the business, but only two interested parties visited the site and one party has put forth an offer to purchase the business and assets, but was rejected as it was significantly less than the asset valuations.

The Receivers are discussing with their appointors other possible options for the business.

Amounts owing to the general security agreement holder

At the date of the receivers appointment the amounts owing to the appointer were as follows:

IEP Nominees Limited	- initial investment	100,000
	- payment under gaurnntee to ASB to cover expenses through overdrawn bank account	215,738
		<u>\$315,738</u>
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Secured Creditors

GE Finance Limited	\$25,821.00
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Preferential Creditors

We have received notice from the IRD regarding its preferential claim, but the amount has yet to be confirmed as some PAYE returns were not filed.

PAYE	11,155.43
GST	2,457.29
Wages (Estimated Holiday Pay)	500.00
Total	<u>\$14,112.72</u>
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Unsecured creditors

Due to the extent of the secured creditor claims there are unlikely to be any funds available for returning to the company, or a liquidator at the conclusion of the receivership for distribution to unsecured creditors.

Particulars of assets and liabilities

We attach particulars of the assets and liabilities of the company. (*Appendix I*)

Information provided by the company

The director of the company co-operated fully in making available the information required by the receivers to complete this report.

Kenneth Peter Brown
Joint Receiver and Manager

Thomas Lee Rodewald
Joint Receiver and Manager