

Receivers' second report on the state of affairs of 4WD Experience NZ Limited (In Receivership) 'the company' as at 30th of March 2006

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 second report on the state of the affairs of the abovenamed company as required by section 24 of the Receivership Act 1993.

Trading on/closure of business

The receivers initially elected to continue to trade the business with a view to selling it as a going concern. However despite advertising little interest was shown in the business apart from one offer for the business which was less than the valuation of the assets and so was rejected. As there was little patronage which could justify continued trading and with little interest shown in the business the receivers had no option but to cease trading and did so on 23 December 2005. The one staff member was terminated as of that date although telephone and power connections were maintained due to security connections.

Property disposed of to date

Only a small amount of company stock has been sold to date. The bank account and a small quantity of debtors have been collected but no other property realised. The vehicles secured to GE Finance were returned to them as the receivers determined they would not be sold for a value exceeding the debt due to the finance company.

The Receivers are discussing with their appointors other possible options for the disposal of 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 guarantee to ASB to cover expenses through overdrawn bank account	215,738
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		\$315,738
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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	<u>2,457.29</u>
Total	\$14,112.72
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Unsecured creditors

It is now quite apparent there will be no funds available for returning to the company, or a liquidator at the conclusion of the receivership for distribution to unsecured creditors.

Kenneth Peter Brown
Joint Receiver and Manager

Thomas Lee Rodewald
Joint Receiver and Manager