

A & H Developments Limited (In Liquidation)

Liquidators First Report

21 July 2006

1. Background

A & H Developments Limited (“the company”) was placed into liquidation by order of the High Court at Rotorua on the 12th day of June 2006, at 11.29am. Kenneth Peter Brown and Thomas Lee Rodewald, Chartered Accountants of Tauranga, were appointed as Joint and Several Liquidators of the company. We detail below the Liquidators first report, for the information of creditors of the company.

2. Disclaimer

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without written permission in each specific instance. The Liquidators do not accept any responsibility or liability for any damage or loss occasioned to any party as a result of the circulation, publication, reproduction or use of this report. In particular the Liquidators take no responsibility for any misinformation contained therein that has been supplied by the company, its officers or any other person. The report is also based upon information available at this date, and the Liquidators therefore reserve the right to review, and if necessary, amend the report.

3. Company Information

| | |
|------------------------|-------------------------|
| Date of Incorporation: | 11 September 1979 |
| Trading Address: | Mount Maunganui |
| Type of business: | Plumbing |
| Date trading ceased: | March 2006. |
| Shareholders: | Andrew Stewart Hopcroft |
| Directors: | Andrew Stewart Hopcroft |

4. Events leading to appointment of Liquidators

The company was trading as Plumbing Services and had ceased trading in March of this year.

The Director has advised the company was wound up due to a debt that arose from an Inland Revenue Dept investigation that took over 4 years to complete. The only debts that were disputed related to amounts owed for FBT for an amount raised against a leased company vehicle and one against a vehicle owned by the Director's wife and leased to the company.

The liquidators have contacted the Director and are still waiting for the records for the company.

5. Statement of Affairs

We attach as *Appendix I* a statement of the company's affairs as at the date of our appointment.

This has been prepared from verbal information provided to the Liquidators, but the Liquidators are not yet able to express an opinion on the validity of that information.

6. Proposals for Conducting the Liquidation

The Liquidators will complete all statutory requirements and once the statement of financial position for the company has been received from the company's officer, they will assess all avenues for realising funds for distribution to creditors of the company. They will also investigate voidable preference issues and any other matters that may arise during the course of the liquidation.

7. Estimated Date of Completion of Liquidation and Notice As To Further Reports

It is not practicable to estimate the date of the completion of the liquidation at this stage.

The Liquidators give notice under section 255(5) of the Companies Act 1993 that no further reports will be issued apart from a final report when the liquidation is completed.

8. Creditors Meeting

No meeting will be held. The Liquidators dispense with holding a creditors meeting pursuant to section 243 of the Companies Act 1993 as the dividend is expected to be nil or very small.

In accordance with Section 314 of the Companies Act 1993 a creditor or shareholder may request the Liquidators to call a meeting of creditors or shareholders at any time in the course of the Liquidation to vote on a proposal that a Liquidation Committee be appointed to act with the Liquidators. This request must be in writing.

The Liquidators may decline a request by a creditor or a shareholder to call a meeting on the grounds that:

- a) the request is frivolous or vexatious; or
- b) the request was not made in good faith; or
- c) the costs of calling the meeting would be out of proportion to the value of the company's assets.

The decision to decline a request may be reviewed by the Court on the application of any creditor or shareholder.

9. Creditors Claims

If your terms of trade with the company include reservation of title of goods supplied please contact Tiffany Heeney at our Tauranga Office.

Please complete and return the enclosed Unsecured Creditors Claim form by 31 October 2006. If you believe that you are a secured creditor please contact this office and the appropriate forms will be sent to you.

10. Further Information

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Tiffany Heeney at our Tauranga Office on (07) 571 6280.

Yours faithfully
For and on behalf of
A & H Developments Limited (In Liquidation)

Kenneth Peter Brown
Joint Liquidator

A & H Developments Limited (In Liquidation)
Statement of Affairs

As at 12 June 2006

| | |
|--|---------------------|
| | \$ |
| Assets | |
| Assets | 500 |
| | <hr/> |
| | 500 |
| | |
| Less Secured Claims | |
| | Nil |
| | |
| Less Preferential Claims | |
| IRD Preferential claim | 918 |
| | <hr/> |
| | |
| Deficit before Unsecured Creditors | (418) |
| | |
| Less Unsecured Creditors | 111,977 |
| | |
| | |
| Deficit (before costs of liquidation) | <hr/> |
| | \$ (112,395) |
| | <hr/> |

Disclaimer

This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report, Rodewald Hart Brown Ltd have not audited the report and they, their directors or employees accept no liability to any other party in relying on the information presented. The purpose of the report is to give creditors of the company an indication of the financial position of the company as at the date of appointment of the liquidators.

Rodewald Hart Brown Limited
21 July 2006