

Alroy Construction Limited (In Liquidation)

Liquidators First Report

5 March 2009

1. Background

Alroy Construction Limited ("the company") was placed into liquidation by special resolution of the shareholders on the 24th day of February 2009, at 3.20pm. Thomas Lee Rodewald and Paul Thomas Manning, Chartered Accountants of Tauranga were appointed as Joint and Several Liquidators 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: 17 June 2003

Trading Address: Glenlyon Avenue Tauranga

Type of business: Civil Engineering and Drainage Contracting

Date trading ceased: Ongoing

Shareholders: Michael John Healy
Bridget Mary Bodie-Healey

Directors: Michael John Healy

4. Events leading to appointment of Liquidators

The Director of the company advised the reason for the failure of the company is due to cash flow problems created by under valuing contractual obligations, as well as the withdrawal of an overdraft facility which meant the director could not guarantee staff wages. Attempts were made to arrange additional finance but this was unsuccessful. As such the director decided to liquidate 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.

It should be noted that no figures are given for the value of the business as the liquidators are currently attempting to sell the business, and believe any figures supplied will be commercially sensitive and may be prejudicial to any sale negotiations.

This report has been prepared from information provided by a director of the company and the Liquidators are not yet able to express an opinion on the validity of that information.

Also attached as *Appendix II* is a list of known creditors as at the date of appointment.

6. Proposals for Conducting the Liquidation

The Liquidators are currently trading the business with a view to selling the business as a going concern. It is believed that this will realise the best possible potential return for creditors.

It is proposed that this be done within 2-3 weeks. If a sale is not concluded within that time then remaining contracts will be disclaimed and plant and equipment will be sold for the best possible price. Funds on hand will be utilised to pay creditors as per the priorities outlined in the seventh schedule of the Companies Act.

In addition we will be investigating the financial records of the company to establish if there are any potentially voidable transactions that require investigation, potential current account issues, and ensure the director has complied with the duties and obligations imposed on him under the Companies Act 1993.

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 the date of this report. Further reports will be issued six monthly and a final report at the conclusion of the liquidation.

8. Creditors Meeting

No creditors 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 immaterial.

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

Please complete and return the enclosed Unsecured Creditors Claim form by 3rd of April 2009 to P O Box 15660, Tauranga. If you believe that you are a secured creditor please contact our Tauranga office and the appropriate forms will be sent to you.

Completion of your claim should be given your urgent attention. If creditors do not lodge a claim with the Liquidators, they are not entitled to share in any distribution to creditors that may be made by the Liquidators.

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 Logan Niederer at our Tauranga Office on 07-571 6280.



Thomas Lee Rodewald
Joint Liquidator

Appendix I
Alroy Construction Limited (In Liquidation)
Statement of Affairs
as at the date of the appointment of the
Liquidators being 24th February 2009

| | <i>Estimated to realise</i> |
|--|---------------------------------|
| Assets | |
| Tools, Plant & Equipment | 59,000 |
| Debtors | 80,000 |
| | |
| Less Secured Claims | |
| John Bodie | Not known |
| | |
| Less Preferential Claims | |
| Employee Claims | Not known |
| PAYE on Employee Claims | Not known |
| IRD – GST | Not known |
| IRD - PAYE | Not known |
| | |
| Surplus before Unsecured Creditors | 139,000 |
| | |
| Less Unsecured Creditors | |
| Trade Creditors | 202,034 |
| | |
| Deficit (before costs of liquidation) | 63,034 |

Disclaimer

This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report and 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

Appendix II
Alroy Construction Limited (In Liquidation)
Schedule of Creditors as at 4 March 2009

| Name | Address 1 | Address 2 | City |
|--|-----------------------|------------------|-------------------|
| Bay Boat Share Ltd | 111 Pinewood Court | Matarangi RD 2 | Whitianga |
| Bay Hiab Transport Ltd | PO Box 2460 | | Tauranga |
| Bay of Plenty Times | Private Bag 12002 | | Tauranga |
| Bay Wide Concrete Cutting | 285 Youngson Road | RD 6 | Omokoroa |
| Beach Contractors Ltd | 45 Edinburgh Street | | Waihi Beach |
| Deeco Services Ltd | PO Box 33-226 | Petone | Wellington |
| Direct Fuels Ltd | PO Box 2286 | | Tauranga |
| Edwards Transport | 7 Victoria Street | | Waihi Beach |
| Energy Services | PO Box 15-019 | | Tauranga 3144 |
| Excell Corporation Ltd | PO Box 147 | Greerton | Tauranga |
| Farmer Motor Group | PO Box 118 | | Tauranga |
| Fork Truck & Loader (2006) Ltd | PO Box 3036 | Greerton | Tauranga |
| Fulton Hogan Ltd | Private Bag 12016 | | Tauranga 3143 |
| Gear Welding Services Ltd | PO Box 2181 | | Tauranga |
| Grace Team Accounting Ltd | PO Box 15004 | | Tauranga |
| Higgins Contractors Ltd | PO Box 4473 | | Mt Maunganui |
| Hirepool Ltd | PO Box 12048 | Penrose | Auckland |
| Hirequip Ltd | Private Bag 14918 | Panmure | Auckland |
| Hynds Pipe Systems Ltd | PO Box 58142 | Greenmount | Manukau 2141 |
| Ike Stephens & Company Ltd | PO Box 8152 | | Tauranga |
| Ingham Mora Accountants | PO Box 5118 | | Mt Maunganui 3150 |
| Intown promotions Ltd t/a Containers BOP | PO Box 15005 | | Tauranga |
| John Bodie | PO Box 19 144 | | Hamilton |
| Just Signs Ltd | PO Box 980 | | Tauranga |
| Katikati Bobcat Services Ltd | PO Box 27 | | Katikati |
| Kerbline Concrete Contractors Ltd | PO Box 3146 | Greerton | Tauranga |
| Lunjevich Thrusting Contractors | 12/29 Te Karaka Drive | RD 2 | Tauranga 3172 |
| Mico Pipelines | PO Box 4641 | | Christchurch |
| Modcom Portable Buildings Ltd | PO Box 2417 | | Tauranga |
| New Zealand Contractors Federation | PO Box 12-013 | | Wellington |
| Nicholls Machinery | 22 Gorton Street | | Bulls |
| Northwestern Equipment Ltd | 36 Hibiscus Avenue | | Mt Maunganui |
| NZ Safety | Private Bag 92100 | | Auckland |
| NZWETA | PO Box 30-530 | Lower Hutt | Wellington |
| NZWWA | PO Box 1316 | | Wellington |
| Office Angels (NZ) Ltd | PO Box 15454 | | Tauranga 3144 |
| Orcon Internet Ltd | PO Box 302362 | North Harbour | Auckland 1330 |
| Protector Safety Supply | Private Bag 92-224 | | Auckland 1142 |
| Rowe Motors Ltd | PO Box 9204 | | Tauranga |
| Roy Hutton | PO Box 4555 | | M Maunganui |
| Shell New Zealand | PO Box 2091 | | Wellington |
| Spray Marks Ltd | PO Box 980 | | Tauranga |
| Stainless Factory Ltd | 19 Montgomery Road | Judea | Tauranga |
| Synergy Positioning Systems | PO Box 100 450 | NSMC | Auckland 0745 |
| Tauranga City Council | Private Bag 12022 | | Tauranga |

| Name | Address 1 | Address 2 | City |
|---------------------------|-------------------|------------------|-------------------|
| Taylor Bros Transport Ltd | PO Box 9313 | | Tauranga 3142 |
| Telecom | Private Bag 4742 | | Christchurch |
| Tenderlink Com Ltd | PO Box 15454 | | New Plymouth 4340 |
| Trust Power | Private Bag 39820 | | Wellington |
| V Boothby Contractors Ltd | PO Box 16060 | Bethlehem | Tauranga |
| Waste Management | PO Box 678 | | Tauranga 3140 |
| Westpac | PO Box 7740 | | Auckland 1141 |