

Barkbuilt Limited (In Liquidation)

Liquidators First Report

29 May 2008

1. Background

Barkbuilt Limited (“the company”) was placed into liquidation by way of special resolution of the shareholders on the 20th of May 2008, at 12.58pm. Robert James Neilson 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: | 26 October 2006 |
| Trading Address: | No longer trading formerly the Bay of Plenty area |
| Type of business: | Building Contractors |
| Date trading ceased: | 20 May 2008 |
| Shareholders: | Peter John Bark (500) Amanda Jane Lord (500) |
| Directors: | Peter John Bark Amanda Jane Lord |

4. Events leading to appointment of Liquidators

The Director's advise the company suffered difficulties as a result of a combination of events which include; not completing a job on time due to difficulties with a suppliers product, debtors not paying and a failure to keep control of the financial systems. As a result the company fell behind in payments to creditors, professional advice was sought and a decision was made to cease trading and place the company into liquidation.

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 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 company had two contracts in progress at the date of liquidation. One a residential address in Papamoa, the other part of a commercial building in Rotorua. The Liquidators investigated the option of continuing with the works in progress, as both contracts were close to completion. However it was not considered to be in the best interest of all creditors for this to occur, due to liabilities issues and the lack of margin left in the job to complete.

The Liquidators will account for all assets, sell any assets of value and conduct an investigation of the company's books and records to establish if there are any potentially voidable transactions that require investigation, potential current account issues, and ensure the directors have complied with the duties and obligations imposed on them 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 this stage.

Reports will be prepared at six monthly intervals from appointment and a final report will be issued at the conclusion of the liquidation.

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 Paul Clark on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form before 29 June 2008. If you believe that you are a secured creditor please contact this 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 Paul Clark at our Tauranga Office.

Thomas Lee Rodewald
Joint Liquidator

Statement of Affairs of
 Barkbuilt Limited (In Liquidation)
 As at the date of the appointment of the Liquidators
 being 20th May 2008.

Appendix I

| | <i>Estimated to realise</i> |
|--|---------------------------------|
| Assets | |
| Tools, Plant & Equipment | 1,000 |
| Debtors | 13,000 |
| Cash in Bank | <u>Nil</u> |
| | 14,000 |
| Less Secured Claims | |
| Nil | |
| Less Preferential Claims | |
| Employee Claims | 1,363 |
| PAYE on Employee Claims | 349 |
| IRD - GST | 18,672 |
| IRD - PAYE | <u>38,370</u> |
| | 58,754 |
| Deficit before Unsecured Creditors | (44,754) |
| Less Unsecured Creditors | |
| IRD – Income Tax (penalties & interest) | 50 |
| - GST (penalties & interest) | 3,372 |
| - PAYE (penalties & interest) | 6,169 |
| Trade Creditors & Sub Contractors | <u>127,643</u> |
| | 137,234 |
| Deficit (before costs of liquidation) | (181,988) |

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

Barkbuilt Ltd (In Liquidation)

Schedule of Creditors as at 20th May 2008

Inland Revenue Department
Justin Van Den Akker
Dion Doherty
Acrow Ltd
Bay Hardwood Flooring Ltd
Bay Insurance Brokers Ltd
Bayside Structural Engineers Ltd
Baywide Textures 2005 Ltd
Bell Plumbing Ltd
Bennetts Concrete Cutting Ltd
Bethlehem Bricklayers
BOP Mirror & Glass Ltd
CG Plasterers
Classic Painting Solutions
Colourfast Powdercoaters NZ Ltd
Compleat Administration
Curtain Creations Ltd
Dominator Garage Door Centre
Firth Industries
Hirequip Ltd
Inland Revenue Department
Jamie Jackson
Jason Reid
John Smith
Johna Keleher
Minnell Building Supplies Ltd
Nicholas Orchard
Paul Champion
Ramset New Zealand
Spacewise
Sunshield Lourves Ltd
SA Swainston & Associates
Tauranga Plasterers Ltd
Tilt Up Solutions
Total Tiling
Zip Plumbing