

DJ Hair Design (2006) Limited (In Liquidation)

Liquidators First Report

28th February 2008

1. Background

DJ Hair Design (2006) Limited (“the company”) was placed into liquidation by way of special resolution of the shareholders on the 21st of February 2008, at 3.30pm. 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:	27 th November 2006
Trading Address:	52 Seddon Street, Waihi Fashion Island, Papamoa
Type of business:	Hairdressing Salons
Date trading ceased:	18 th February 2008
Shareholders:	Deborah Ann Grant (50) Darren Robert Orchard Carolyn Margaret Orchard (50)
Directors:	Deborah Ann Grant Darren Robert Orchard

4. Events leading to appointment of Liquidators

The company had been trading as two hairdressing salons, in Papamoa and Waihi. The Directors advise the business experienced low turnover, resulting in poor cashflow. Due to the business struggling, the Directors sought advice and the decision was made to sell the business and then place the company into voluntary liquidation.

5. Statement of Affairs

We attach as *Appendix I* a statement of the company's affairs as at the date of our appointment and a list of known creditors as at the date of liquidation.

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

The Liquidators have yet to receive a confirmation from the Inland Revenue Department of any outstanding debts due to them, so the estimates given may change.

6. Proposals for Conducting the Liquidation

The Liquidators will attend to normal statutory matters and conduct an investigation of the company's books and records to establish if there are any potentially voidable transactions that require investigation. The Liquidators will review the actions of the directors to ensure they have complied with the duties and obligations imposed on them under the Companies Act 1993. In addition they will examine the sale of the business to ensure it was for fair value.

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 issued at six monthly intervals from appointment with a final report 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 Steph Harborne on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form before 11th April 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 Steph Harborne at our Tauranga Office.

Kenneth Peter Brown
Joint Liquidator

Appendix I

**Statement of Affairs of
DJ Hair Design (2006) Limited (In Liquidation)
As at the date of the appointment of the Liquidators being
21st February 2008**

	<i>Estimated to realise \$</i>
Assets not specifically charged	
Cash at bank	
Sale of Business – Stock in Trade	1,000
Sale of Business – Tangible Assets	<u>7,000</u>
	8,000
Assets subject to fixed charges including general security agreements, mortgage, IBWS, hire purchase agreements	
Less amounts owing	<u> </u>
Estimated assets available to preferential creditors and unsecured creditors	8,000
Less preferential creditors:	
GST	2,606
PAYE	
	<u> </u>
Estimated assets available to unsecured creditors	5,394
Unsecured creditors	<u>11,335</u>
Estimated surplus/(deficit) (subject to costs of liquidation)	<u><u>(5,941)</u></u>
Share capital	100

List of Creditors:

BOP Holdings Limited
Inland Revenue Department

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