

Dave Orrell Builders Limited (In Liquidation)

Liquidators First Report

21 March 2008

1. Background

Dave Orrell Builders Limited (“the company”) was placed into liquidation by order of the High Court at Rotorua on the 11th of February 2008 at 12.01pm. Kenneth Peter Brown and Robert James Neilson, 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:	9 October 1995
Trading Address:	No longer trading, formerly Tauranga area
Type of business:	Residential Construction
Date trading ceased:	November 2007
Shareholder:	David Ian Orrell (100)
Director:	David Ian Orrell

4. Events leading to appointment of Liquidators

The Director advises the company began to suffer financial difficulties after a particular job did not go as expected. The Director advises this coupled with a lack of control over company spending resulted in a poor cashflow. Accounts owed to trade creditors slipped behind and the company made the decision to cease trading around November 2007. In March 2008 one of the trade creditors successfully petitioned the High Court to have a Liquidator appointed.

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. Please find attached as *Appendix 2* a list of known creditors.

The trailer listed as an asset requires repair, the cost of which will be similar to the value of the trailer.

6. Proposals for Conducting the Liquidation

The Liquidators will account for all assets, sell any 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 director has complied with the duties and obligations imposed on him under the Companies Act 1993.

At the date of liquidation the shareholders current account was shown to be overdrawn, repayment of this will be sought by the Liquidators.

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 30th of 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 Paul Clark at our Tauranga Office.

Kenneth Peter Brown
Joint Liquidator

Statement of Affairs of
 Dave Orrell Builders Limited (In Liquidation)
 As at the date of the appointment of the Liquidators
 being 11th February 2008.

	<i>Book Value</i>	<i>Estimated to realise</i>
Assets		
Plant & Equipment	1,198	800
Vehicle	20,000	20,000
Overdrawn Shareholders Current Account	213,000	<u>nil</u>
		20,800
 Less Secured Claims		
Carter Holt Harvey		52,087
Taylor Roofing (2004) Ltd		5,928
Dorchester Finance Ltd		30,524
Better Living Ltd		<u>7,000</u>
		95,539
 Less Preferential Claims		
Petitioning Creditors Costs		<u>3,080</u>
 Deficit before Unsecured Creditors		 (77,819)
 Less Unsecured Creditors		
Trade Creditors		<u>54,156</u>
 Deficit (before costs of liquidation)		 (131,975)

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

Dave Orrell Builders Limited (In Liquidation)
Creditors as at the date of the appointment of the Liquidators
being 11th February 2008.

Better Living Limited
Carter Holt Harvey
Dorchester Finance Ltd
Taylor Roofing (2004) Ltd
Accident Compensation Corporation
Bay Bathroom Design
Bell Plumbing Ltd
Firth Industries
Fotheringham Contractors Ltd
Heirloom Kitchens
Jaxxon Concrete Pumps Ltd
Keith Evans
NZ Windows Tauranga Ltd
Omokoroa Hire Centre
Page Transport Ltd
Scaffold Systems Ltd
Shower Solutions
Steelworks NZ Ltd
Supacrete Concrete Ltd
Tauranga Concrete Cutting Ltd
Waterproofing Solutions BOP Ltd