

Deo Fretus Limited (In Liquidation)

Liquidators First Report

15 May 2009

1. Background

Deo Fretus Limited ("the company") was placed into liquidation by special resolution of the shareholders on the 6th day of May 2009, at 1.30pm. Kenneth Peter Brown and Thomas Lee Rodewald, 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: 8 August 2007
Company Number: 197048
Trading Address: 1 Riviera Place, Palm Beach, Papamoa
Type of business: Property Trading
Shareholders: Emil John Michael Verster
Lisa Carol Verster
Directors: Emil John Michael Verster

4. Events leading to appointment of Liquidators

The company owns a residential dwelling in Mount Maunganui and a residential section in Tauranga.

Because of the current downturn in the property sector, and a number of failed contract negotiations, the Directors of the company have advised because the company is unable to meet its financial obligations, that it cannot continue its business.

5. Statement of Affairs

We attach as *Appendix 1* a statement of the company's affairs as at the date of our appointment.

Also attached as *Appendix 2* is a list of known creditors as at the date of appointment.

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

6. Proposals for Conducting the Liquidation

The Liquidators are currently with the support of the registered security holder trying to get the best possible return on the company's assets.

Over the past two months the properties have been listed with a local real estate firm, and currently remain on the market.

In addition to liaising with the finance company we will be investigating the financial records of the company to establish if there are any potentially voidable transactions that require investigation, potential current accounts 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

We estimate that the liquidation will be completed within the next reporting period, that is, six months after appointment or by 31st October 2009. A final report will be prepared when the liquidation is finalised.

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 Blair Millar on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form by 26th day of June 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 Blair Millar at our Tauranga Office.



Thomas Lee Rodewald
Joint Liquidator

Appendix 1

Statement of Affairs of
Deo Fretus Limited (In Liquidation)
as at 6th May 2009

			Estimated Realisable Value
Assets			
Residential dwelling – 137 Ocean Beach Road, Mount Maunganui		Note 1	<u>635,000</u>
		Total Assets	<u>635,000</u>
Liabilities			
Charge Holders			
Specific Security Agreements		1,063,258	
Preferential Creditors			
Inland Revenue Department			
	GST (Estimate)	Note 2	N/A
Unsecured Creditors			
Non PPSR Charge Holders		Accounts Payable	<u>3,788</u>
		Total Liabilities	<u>1,067,046</u>
		Net Deficit	<u>(432,046)</u>

Notes:

1. The property had a registered valuation completed by Property Solutions on 27th February 2009.
2. At the time of producing the first report the figures were not available from the Inland Revenue Department.
3. The statement excludes any liability for the shareholders current accounts and any intercompany and related party debts, which are currently being established.

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 2

Deo Fretus Limited (In Liquidation)
Schedule of Creditors as at 6th May 2009

Name	Address 1	Address 2	City
Bay Valuation Limited	P O Box 998		Tauranga 3140
Edward Austen Michael & Judith Carol Michael	30A Golf Road		Mt. Maunganui
G E Custodians	C/- Gibson Sheat Lawyers	P O Box 2966	Wellington 6140
Harris Tate	P O Box 1147		Tauranga 3140