

Dhillon Enterprises Limited (In Liquidation)

Liquidators First Report

23 May 2006

1. Background

Dhillon Enterprises Limited (“the company”) was placed into liquidation by order of the High Court at Auckland on the 23rd day of February 2006, at 9.20am. 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:	16 September 1992
Trading Address:	Albany Village
Type of business:	Restaurant
Date trading ceased:	February 2006
Shareholders:	Harinder Paul Singh Jaswinder Kaur
Directors:	Harinder Paul Singh Jaswinder Kaur

4. Events leading to appointment of Liquidators

The business had been trading in Albany Village as the Shere Punjab Restaurant. It had been trading up until the time of liquidation.

At the time of liquidation the directors were interviewed and the possibility of selling the business was looked at. There was no interest, it should be noted that the directors had been attempting to sell the business for a considerable time prior to liquidation.

The directors advised that the debt came about due to a previous tax advisor not filing historical GST resulting in a debt they could not pay. The business was essentially a family operated business.

The landlord was owed a considerable amount of money and re entered the premises. He dumped most of the assets at a cost to himself. The items were old and in a generally run down state. The assets that were left in the premises were valued by the Liquidators and we were advised the cost of removal and sale would be more than could be achieved at auction. The Liquidators effectively abandoned any interest in these assets.

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 to the Liquidators, but the Liquidators are not yet able to express an opinion on the validity of that information.

6. Analysis of Statement of Affairs

There were no other assets apart from the chattels in the restaurant and these had a nil value.

7. Proposals for Conducting the Liquidation

The Liquidators will conduct an investigation of the company's books and records to further establish if there are any potentially voidable transactions that require investigation, and whether there are any outstanding current accounts, and further to ensure that the directors have complied with the duties and obligations imposed on them under the Companies Act 1993.

8. 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.

The Liquidators give notice under section 255(5) of the Companies Act 1993 that no further reports will be issued other than a final report when the liquidation is complete.

9. 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.

10. Creditors Claims

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.

11. Further Information

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Grant Wills at our Tauranga Office on (07) 571 6280.

Yours faithfully
For and on behalf of
Dhillon Enterprises Limited (In Liquidation)

Kenneth Peter Brown
Joint Liquidator

Appendix 1:

Dhillon Enterprises Limited (In Liquidation)
Statement of Affairs

As at 23 February 2006

Assets	
Restaurant chattels	Nil
Less Secured Claims	Nil
Less Preferential Claims	
IRD Preferential claim	<u>1,949</u>
Deficit before Unsecured Creditors	1,949
Less Unsecured Creditors	<u>59,912</u>
Deficit (before costs of liquidation)	<u>\$61,861</u>

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
9 May 2006