

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

Liquidators' First Report

Signature Homes Hawkes Bay Limited (In Liquidation)

1 Appointment

We advise that Arron Leslie Heath and Lloyd James Hayward were appointed joint and several Liquidators of the above company on 10 June 2011 by special resolution of shareholders.

Arron Heath and Lloyd Hayward are Chartered Accountants and full time Insolvency Practitioners. They have not previously acted in any capacity for the company or the officers and shareholders of the company.

2 Background

| | | |
|-------------------------------|--|------------|
| <i>Date of Incorporation:</i> | 30 October 2006 | |
| <i>Trading Address:</i> | Shop B, 193 Main Road, Clive 4102 | |
| <i>Type of Business:</i> | Home Construction | |
| <i>Date Ceased Trading:</i> | 10 June 2011 | |
| <i>Shareholder:</i> | Gavin Leslie Hunt & Lance William Wiltshire | 100 shares |
| <i>Directors:</i> | Gavin Leslie Hunt | |
| <i>Share Capital:</i> | 100 ordinary shares | |
| <i>Date of Liquidation:</i> | 10 June 2011 | |

3 Events Leading to Appointment

The director advises that while significant management resource from Signature Homes' Support Office and several hundreds of thousands of dollars from its shareholder has been provided to the company over the last few years, unfortunately the continuing depressed housing market (building consents in the Hawkes Bay have declined 30% in the last year) combined with significant fraud/theft by a previous employee has left the shareholder with no option but to place the business into liquidation.

He noted further that every effort was made to salvage the business, but it has not been possible to continue to trade the business in its current state. While the final quantum of the

Jeff Meltzer

Karen Mason

Arron Heath



theft/fraud has yet to be established, the drain on the company's cash has been such that the company could no longer meet its commitments.

4 Statement of Affairs

The Liquidators have prepared an Estimated Statement of Affairs being the assets and liabilities of the company at the date of liquidation. We attach a copy.

5 Proposals for Conducting the Liquidation

5.1 Realisation of Assets

The company was essentially a marketing and project management company. Its assets consisted of work in progress, contract debt due and office furniture and fittings.

We understand that there was no contract debt due as at the date of liquidation.

All work in progress on homes under construction for customers was transferred prior to liquidation to a guarantor company that guarantees and will undertake completion of the projects. At this stage it is expected that the cost of completion will exceed remaining revenues; however the Liquidators will review this at completion.

Fixed assets consist primarily of Lease hold fit out, office furniture and equipment. These will be sold by way of public auction.

The Liquidators will review the records of the company with a view to identifying any other realisable assets.

5.2 Examination of Books and Records

The Liquidators will examine the company's available books and records and conduct a brief review of the company's affairs.

5.3 Knowledge of Information Relevant to the Liquidation

Should creditors and other parties possess any information that may be relevant to the liquidation, or may lead to realisations for the benefit of creditors, please advise the Liquidators in writing and provide them with copies of supporting documents.

6 List of Creditors

A list of all known creditors has been compiled by the Liquidators. We attach a copy.

7 Creditors Claim Form

Creditors should complete and return the attached Creditor's claim form by 15 July 2011. Creditors who do not make a claim within the period may be excluded from any distribution that may be made.

8 Retention of Title Claims/Security Interests

Please note, if you believe you have a valid retention of title claim or security interest over goods or equipment supplied to Signature Homes Hawkes Bay Limited (In Liquidation), and you have not yet contacted the Liquidators, please contact us immediately.

9 Initial Creditors Meeting

A meeting of creditors of the company will be held at the Napier RSA, 34 Vautier Street, Napier on 7 July 2011, commencing at 11.30am. The notice of meeting and relevant documents are enclosed.

10 Liquidation Committee

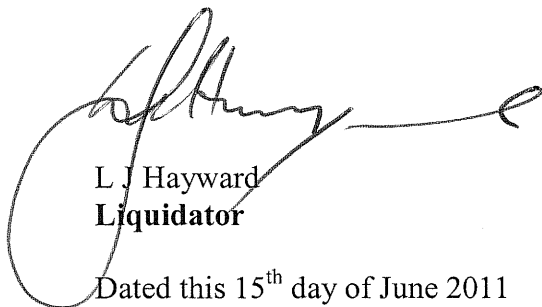
We expect a Liquidation Committee will be elected at the creditors meeting.

A Liquidation Committee has certain powers set out in s315 of the Companies Act 1993, including to assist the Liquidators as appropriate in the conduct of the liquidation.

11 Estimated Date of Completion of Liquidation

It is not practicable to estimate the date of completion of the liquidation at this stage.

Enquiries should be directed to: Lloyd Hayward



L.J. Hayward
Liquidator

Dated this 15th day of June 2011

Attach:

**Estimated Statement of Affairs of
Signature Homes Hawkes Bay Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 10 June 2011**

| | <i>Book Value</i> | <i>Estimated Realisable Value</i> |
|--|---------------------------------------|---|
| | \$ | \$ |
| Assets not Specifically Pledged: | | |
| Cash at Bank | 6,000 | 6,000 |
| Debtors | 100,556 | Unknown |
| Work in Progress | Nil | Unknown |
| Fittings and Equipment | 97,596 | Unknown |
| Estimated Total Assets Available for Preferential Creditors and Secured Creditors | | <u>Unknown</u> |
| <i>Less</i> – First Ranking Preferential Creditors | | |
| Wages and Holiday Pay (Includes PAYE) | | <u>18,674</u> |
| | | Unknown |
| <i>Less</i> – Second Ranking Preferential Creditors | | |
| Inland Revenue Department | GST (Est) 20,000 PAYE (Est) 50,000 | |
| | | <u>70,000</u> |
| Estimated Total Assets Available for Secured Creditors and Unsecured Creditors | | Unknown |
| <i>Less</i> – Secured Creditors | | <u>8,328</u> |
| Estimated Total Deficiency as regards Secured Creditors and Unsecured Creditors | | Unknown |
| <i>Less</i> – Unsecured Creditors | | |
| Trade | 1,022,257 | |
| Related Parties | <u>676,330</u> | |
| | | <u>1,698,587</u> |
| Total Deficiency as regards Unsecured Creditors and Shareholders | | Unknown |
| <i>Less</i> – Issued and Paid Up Capital | | <u>100</u> |
| Total Deficiency as regards Unsecured Creditors and Shareholders | | <u>Unknown</u> |

Note: The above estimates are subject to the costs of realisation, including Liquidators' fees.

Disclaimer of Liability:

We have prepared the Estimated Statement of Affairs as at the date of liquidation being 10 June 2011.

The Estimated Statement of Affairs has been prepared based on information from the books and records of the company together with information supplied by the Director. This information has not been verified. The Liquidators have not carried out an audit or reviewed the information supplied and therefore they do not accept any responsibility for the accuracy of the information from which the Estimated Statement of Affairs has been prepared. Further, the Estimated Statement of Affairs has been prepared for the purpose of the liquidation only, and the Liquidators do not accept any responsibility on any ground whatever, including liability in negligence, to any other person.

Signature Homes Hawkes Bay Limited (In Liquidation)
Creditors Known at Liquidation
June 2011

| Company | Address1 | Address2 | City |
|--|---------------------------------------|-------------------------|----------------|
| Advanced Plumbing HB Ltd | 541a Lyndhurst Road | | Hastings |
| Auckland Signs Ltd | P O Box 300 822 | Albany | Auckland |
| BARNES BUILDERS | | | |
| Bassett Developments Ltd | 16 Harvey Road | | Napier |
| Bay Scaffolding Ltd | 357 St Georges Road RD2 | | Hastings |
| Bay Scaffolding Ltd | 537 St Georges Road RD2 | | Hastings |
| Beattie Rickman Legal | P O Box 76244 | Manukau | Auckland |
| Bowls Heretaunga Inc, | 308b Victoria Street Hastings | | |
| Carpet Court - Napier | 158 Taradale Road | | Napier |
| CARTERS HAWKES BAY | Private Bag 94027 | | Manukau 2241 |
| Central Vacuum Beam Systems | 8 Arcadia Lane | | Havelock North |
| Clarke, Warren | c/o Signature Homes Hawkes Bay Ltd | Shop B, 193Main Road | Clive 4102 |
| Clean As A Whistle | 900 Jervois Place | | Hastings |
| Clive Retail | | | |
| Coffee Builders | 4 Oliphant Place | | Hastings |
| Coldrite Ltd | P.O. Box 366 | | Hastings |
| Contact Energy | P O Box 38097 | | Wellington |
| CPM Concrete Ltd | P O Box 46 | Clive | Hastings |
| Custom Fleet NZ | 385 MT Wellington Highway | | Auckland |
| Deloitte | Deloitte House | 8 Nelson Street | Auckland |
| Dominator Garage Doors | P O Box 246 | | GORE 9740 |
| DOORPRO Limited | P O Box 11 116 | | Hastings |
| Drager Builders Ltd | 15 Puketapu Road | | Napier |
| Dream Castle, | 38 Guildford Street Tamatea | | Napier |
| First Windows & Doors | 4 Angus Place | | Onekawa |
| First Windows & Doors Taupo | P.O. Box 1486 | | Taupo |
| Firth Industries | P.O. Box 4100 | | Whakatane |
| Fisher & Paykel | 78 Springs Road | East Tamaki | Manukau |
| Fisher & Paykel Appliances Ltd HB | 78 Springs Road | | East Tamaki |
| Fisher & Paykel (L) Show Home Account | P O Box 58732 | Botany | Auckland |
| Flat Roof Solutions Ltd | 279 Raupare Road | | Hastings |
| Fuji Xerox New Zealand Ltd (L) | P O Box 5948 | Wellesley Street | Auckland |
| Gas 2 Go | 52 Kaimata Rd RD 2 | | Napier |
| Geoff Kell Consulting ltd | 212 Queen St | | Hastings |
| Greg Harman Joinery Ltd | Maraekakaho Road | | Hastings |
| Harvey Norman Stores NZ Ltd | 303 St Aubyn Street East | | Hastings |
| Hastings District Council | Private Bag 9002 | | Hastings |
| Hawkes Bay Energy Solutions | P.O. Box 4030 | | Marewa |
| Hawkes Bay Lightweight Roofing Ltd | P O Box 3441 | | Napier |
| H & H Cleaning | 900 Jervois Place | | Hastings |
| H & H CleaningServices | 900 Jervois Street | | Hastings |
| Hillmac Electrical Ltd | P O Box 8568 | | Havelock North |
| House Presentation & Furniture Hire Ltd | 68 Montana Rd RD5 | | Hastings |
| HSM | 313 Hastings St North | | Hastings |

Signature Homes Hawkes Bay Limited (In Liquidation)
Creditors Known at Liquidation
June 2011

| | | | |
|---------------------------------|------------------------------|-----------------|------------------|
| HTL Hardware Ltd | 122A Taradale Road | | Onekawa |
| Just Water New Zealand | 114 Rockfield Road | Penrose | Auckland |
| Laser Electrical Taupo | 47 Miro St | RD2 | Taupo |
| Livingston Construction Ltd | P O Box 5565 | | Mt Maunganui |
| Maax Architecture | | | |
| Mainfreight Ltd | P O Box 14-038 | Panmure | Auckland |
| Metalcraft Roofing - Hastings | 1454A Omaha Road | | Hastings |
| Metro Glasstech - HB | 9 Niven Street | Onekawa | Napier |
| Midas Interior Design Group | 4 Rothwell Ave | North Harbour | Auckland |
| Mike Barham Painting | 147 Shakespeare Road | | Napier |
| Mr Shelf | 29 Newton St | | Mt Maunganui |
| M T Carroll Ltd | 33 Cadbury Road | Onekawa | Napier |
| Noel Leeming | 12 St Aubyn St | | Hastings |
| Office Max/ Boise (L) | Private Bag 92831 | | Auckland |
| Ontrak Earthworx | 541a Lyndhurst Road | | Hastings |
| Orix New Zealand Ltd | Private Bag 99924 | Newmarket | Auckland |
| PANTON PLUMBING | 107 Stonercroft St | | Hastings |
| Plumbing World Ltd | Crn Warren & Albert St | | Hastings |
| Plumbing World Ltd "HEAD OFICE" | P O Box 58 192 | Greenmount | Auckland |
| Pollett Furniture Ltd | 11 Carnegie Road | Onekawa | Napier |
| Raydar Limited | 38-40 Burleigh Street | Grafton | AUCKLAND |
| Red Stag Gates & Fences | P O Box 10572 | Te Rapa | Hamilton |
| R/F Masonry | P O Box 7217 | Taradale | Napier |
| Rockgas Hawkes Bay | 114 Alexander Crescent | | Hastings |
| Sainsbury Logan & Williams | P O Box 41 | | Napier |
| SHL Signature Homes Limited | 5 Antares Place Mairangi Bay | | North Shore City |
| Sileni Estates | P O Box 2234 | Stortford Lodge | Hastings |
| Taupo Carpet Court | P.O. Box 1541 | | Taupo |
| Team Auto Centre - Clive | 174 Main Road | Clive | Hastings |
| Telecom New Zealand Limited | Private Bag 4942 | | Christchurch |
| Tennessee Plastering | C/- 42 Carlyle St | | Napier |
| The Kentucky Trust | 40 Landing Drive | Albany 0632 | North Shore City |
| The Tile Depot Napier | 8 Austin Street | | Napier |
| Torlys Flooring Studio | 23 Tukorako Drive | | Mt maunganui |
| Vodafone | 20 Viaduct Harbour Avenue | | Auckland |
| Waste Disposal HB (2006) Ltd | 21 Wheatley Road RD3 | | Napier |
| Waste Management | P.O. Box 2448 | | Stortford Lodge |
| Wynands Masonry Ltd | P.O. Box 5135 | | Greenmeadows |