

2 July 2007

**FIRST REPORT OF THE LIQUIDATORS
TO CREDITORS AND MEMBERS OF
S P BUILDERS LIMITED (In Liquidation)**

INTRODUCTION

We advise that S P BUILDERS LIMITED (In Liquidation) ("the company") was placed into liquidation on 21 June, 2007 at 11.00 am by a special resolution of shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act"). Kevin David Pitfield and Gareth Russel Hoole were appointed joint and several liquidators of the company at that time.

RESTRICTIONS

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose without the liquidators' written permission in each specific instance. The liquidators, Staples Rodway Limited, its employees and agents do not assume any responsibility or liability for any losses occasioned to any party for any reason including as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

The liquidators reserve the right (but will be under no obligation) to review this report and, if considered necessary, to revise the report in light of any information existing at the date of this report which becomes known to us after that date.

BACKGROUND AND STATEMENT OF POSITION

Director and Shareholders

On the date of the appointment of the liquidators the records of the company reflected the following:

Shareholder: Shane Hendrikus Pieters

Director: Shane Hendrikus Pieters

History

The company was incorporated as S. P. BUILDERS LIMITED on 2 April 2001. This was changed to MASONRYLIVING LIMITED on 6 July 2001, and finally to S P BUILDERS LIMITED on 22 September 2005.

The principal business of the company was that of residential construction. The company traded from 21d Hobill Avenue, Manukau City.

The liquidators understand that the company experienced cash flow difficulties for some months prior to the appointment of the liquidators. These cash flow difficulties were compounded by the default of a large debtor. The cash flow constraints prevented the company from meeting its debts as they fell due.

S.P Builders Limited was the franchisee under a licence for building “Moore Living Homes”, a concrete homebuilder using insulated concrete panels, in the South Auckland, Manukau and North Tauranga areas. The liquidators are investigating whether such licence has any economic value.

Actions Taken To Date

The liquidators and their representatives attended the premises of the company at 21d Hobill Avenue, Manukau City on the morning of their appointment. The premises were secured and rights of entry were restricted.

The liquidators have established that the company has an asset in the form of a receivable.

Statement of Position

Attached by way of Appendix 1 is the Statement of Position of the company as at 21 June 2007, as advised by the management of the company. The information contained in the attached statement of position was provided by the management of the company and, as yet, has not been investigated by the liquidators. It is possible that subsequent investigation could result in a revision of the information thus presented.

Securities and Charges

A search of the Personal Property Securities Register has revealed registered security interests.

Apart from creditors designated as preferential in terms of the Seventh Schedule of the Companies Act 1993 and the secured creditors referred to above, all other creditors of the company will rank as unsecured.

PROPOSALS FOR THE CONDUCT OF THE LIQUIDATION

Investigations into the existence and whereabouts of any assets not identified at the date of this report will be undertaken.

The company has a receivable balance due which requires collection. The liquidators will pursue the outstanding receivable using all available legal remedies.

The liquidators will review disbursements made by the company in the period beginning on 21 June 2005 through to their appointment for purposes of determining whether any such transactions can be considered voidable within the ambit of Section 292 of the Companies Act 1993.

From the records made available to the liquidators, at the time of appointment the company was prima facie insolvent. At this time the liquidators have not been able to determine how long the company traded under insolvent circumstances, if at all. However, the liquidators will conduct the

appropriate investigation in this regard and report their findings to the Registrar of Companies as considered necessary. The liquidators will pursue appropriate action against the director to the extent considered economically beneficial if evidence exists to support such action.

CREDITORS' MEETING

The liquidators advise that a meeting of creditors will be held at Level 11, Tower Centre, 45 Queen Street, Auckland on Thursday 12 July 2007 at 10.00am.

Pursuant to Section 314(1) of the Companies Act 1993, any creditor or shareholder of the company may require the liquidators to call a meeting of creditors or shareholders by giving written notice to the liquidators, within 10 days of receipt of this circular.

UNSECURED CREDITORS CLAIM FORM

If you believe that you hold security for your claim please advise the liquidators, in writing, providing supporting documentation and all other details of the nature of the security that you believe that you hold.

ESTIMATED DATE OF COMPLETION OF LIQUIDATION

Bearing in mind the nature of the investigation of the company's affairs and the timeframe associated with the collection of receivables we tentatively estimate that this liquidation will be completed within the next six months.

Should you have any queries regarding the liquidation of the company, please do not hesitate to contact Steve Shewry at the office of the liquidators on telephone 309 0463, extension 206.



Kevin David Pitfield
JOINT LIQUIDATOR



Gareth Russel Hoole
JOINT LIQUIDATOR

APPENDIX 1

**S P BUILDERS LIMITED (In Liquidation)
STATEMENT OF POSITION AS AT 21 June 2007 (Date of Appointment)**

Assets	Book Value
Debtors	57,000
TOTAL ASSETS	<u>57,000</u>
Liabilities	
Secured Creditors – Personal Property	162,136
Unsecured Creditors	323,731
TOTAL LIABILITIES	<u>485,867</u>
DEFICIT: LIABILITIES OVER ASSETS	<u><u>(428,867)</u></u>