

COMPANY NO. 469164

LIQUIDATOR'S SIX MONTHLY REPORT
Section 255 of the Companies Act 1993

JB CONTRACTORS LIMITED (IN RECEIVERSHIP AND LIQUIDATION)

This report should be read in conjunction with the Liquidators' first report dated 14 September 2012.

APPOINTMENT

On 2 August 2012 Andrew Croad and Christine Dunphy were appointed Liquidators jointly and severally of JB Contractors Limited by order of the High Court at Auckland.

On 28 May 2013 Andrew Croad resigned as liquidator appointing Iain Shephard as his successor.

This is our six monthly report required by Section 255(2)(d) of the Companies Act 1993.

LIQUIDATORS' ACTIONS

Receivership

John Gilbert of C&C Strategic Limited was appointed Receiver and Manager of the Company on 26 July 2012. The Receiver has been co-operative with the liquidators.

The Receiver has asked for, and been provided with, agency to act on behalf of the Company.

The Liquidators understand that the receivers are now attempting to recover disputed accounts receivable.

Review of trading history

The Liquidators have conducted an extensive review of the Company records, and it appears that the Company has been insolvent for a significant period of time.

The Liquidators issued notices pursuant to section 261 of the Companies Act 1993 and examined a number of individuals.

Directors' performance

Faced with a significant level of preferential and unsecured creditors, the Liquidators quickly identified that the only prospect of a meaningful distribution to creditors would be on the back of investigation based recoveries.

The Liquidators investigations have revealed that the Company was insolvent for some time, and believe the directors to have breached their Companies Act obligations. The Liquidators are also aware that Paul Balemi has since been adjudicated bankrupt and believe it to be uneconomical to commence proceedings against Mark Balemi.

The Liquidators have also investigated the conduct of the Company's professional advisors. We have conducted an in-depth review of their files. We have consulted specialized litigation lawyers, about the prospect of bringing proceedings against the advisors.

Voidable transactions

The Liquidators have identified and sought to recover a number of voidable transactions.

A number of creditors have settled claims with the Liquidators. A number of creditors have entered into repayment arrangements with the Liquidators, and the Liquidators are collecting the funds over the next three years.

Related Companies

The Company formed part of a group of companies that are now all in Receivership and/or Liquidation. The Company is a significant creditor of the related companies due to intercompany advances, and the Liquidators are monitoring the administrations of the related entities.

Employees

All employment with the Company was terminated at the commencement of liquidation. The Liquidators understand that the Receiver employed certain staff on short term contracts in order to complete work in progress.

Premises

The Lease to the premises has been disclaimed.

REALISATION OF ASSETS

All assets of the Company were subject to security interests, and are under the control of the Receiver or specific secured parties.

CREDITORS' CLAIMS

Secured Creditors

As previously stated one secured creditor had, prior to the appointment of liquidators, appointed a Receiver. Upon appointment of a receiver, many creditors who had the ability to do so, elected to realise the assets subject to their charge.

It is apparent that the realizations are insufficient to discharge the secured debt.



Preferential Creditors

Four applicant creditors were awarded costs by the high court totalling \$ 9,044.71. These claims have been paid in full.

The Liquidators have received no preferential claims from employees.

The Liquidators have received a preferential claim from the Inland Revenue totalling \$765,096.90.

At this stage the liquidators anticipate making a partial distribution to the Inland Revenue.

Unsecured Creditors

The Liquidators have received unsecured creditor claims from 171 creditors totalling \$3,787,460.85. At this stage there are insufficient funds to enable a distribution to unsecured creditors. It appears unlikely that there will be sufficient funds to enable a distribution to unsecured creditors.

MATTERS TO RESOLVE

The Liquidators investigations are ongoing. If you have information that you feel may assist the investigations please contact this office.

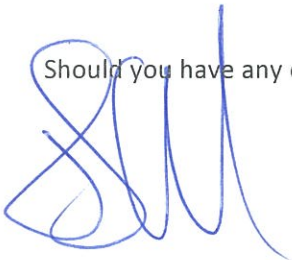
RECEIPTS AND PAYMENTS

A schedule of the liquidator's receipts and payments is attached to this report.

ESTIMATED DATE OF COMPLETION

It is not practical to estimate the date of completion at this time.

Should you have any queries please do not hesitate to contact us.



IAIN SHEPHARD
LIQUIDATOR

Dated 12 September 2013



JB CONTRACTORS LIMITED (IN LIQUIDATION)

Schedule of Liquidator's Receipts & Payments

As at: 12 September 2013

Receipts

Legal Settlements	287,450.64
Dividend	320.00
Inland Revenue - GST Refunds	3,472.12
Interest	881.79
Sale of Assets	1,437.50
Utilities Refund	1,185.43
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	294,747.48

Less Payments

Advertising	361.41
Auctioneers Commission	287.50
Bank Fees	109.43
Legal Fees	52,822.26
Liquidator Costs & Expenses	180,701.69
Preferential Claims	9,044.71
Repossession Costs	2,892.25
Residents Withholding Tax	290.98
Video Forensics	612.00
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	247,122.23

Liquidators' Bank Account

47,625.25

