

# Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Mike Lamacraft

## Liquidators' First Report

### Two And A Half Musketeers Limited (In Liquidation) Trading as Blockbuster

#### 1. Appointment

We advise that Arron Leslie Heath and Michael Lamacraft were appointed joint and several Liquidators of the above company on 21 December 2007 by special resolution of shareholders.

Arron Heath and Mike Lamacraft are 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 July 2004
<i>Trading Address:</i>	40/44 Orly Avenue, Mangere, Auckland 613/615 Great South Road, Manukau, Auckland
<i>Type of Business:</i>	Entertainment Media Rental & Sales
<i>Date Ceased Trading:</i>	20 December 2007
<i>Shareholders:</i>	Stephen Mark Dods 40 shares Active Flicks Limited 40 shares George Gabriel Bautista 20 shares
<i>Directors:</i>	George Gabriel Bautista Stephen Mark Dods Paul Douglas Mckenzie Marshall
<i>Share Capital:</i>	100 ordinary shares
<i>Date of Liquidation:</i>	21 December 2007

#### 3. Events Leading to Appointment

We are advised that a general downturn in the industry coupled with local competition left the company unable to meet its obligations. The shareholders injected funds to keep the two stores open in the hope of finding a purchaser. Once it became clear that a sale of the business could not be achieved and no further funding from shareholders could be justified the decision was taken to cease trading and to place the company into liquidation.



#### **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***

Assets will be sold by private treaty or at auction depending on professional advice received.

##### ***5.2 Examination of Books and Records***

The Liquidators will examine the company's available books and records and conduct a brief initial 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 February 2008. 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 Two And A Half Musketeers Limited (In Liquidation), and you have not yet contacted the Liquidators, please contact us immediately.

#### **9. Initial Creditors Meeting**

As it is unlikely there will be a distribution to creditors, pursuant to s245 of the Companies Act 1993 the Liquidators propose to dispense with the meeting of creditors to consider whether to appoint different Liquidators, and to consider the views of creditors.

Accordingly a meeting of creditors will not be called unless a creditor gives notice pursuant to s314 to the Liquidators within 10 working days after receiving this notice, requiring a meeting to be called.

**10. Liquidation Committee**

At any time during the liquidation, any creditor may in writing, request the Liquidators to call a meeting of creditors to consider whether a Liquidation Committee should be appointed, and if so, to choose the members of the Committee.

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: Mike Lamacraft

M Lamacraft  
**Liquidator**

Dated this 14<sup>th</sup> day of January 2008

Attach:

**Estimated Statement of Affairs of  
Two And A Half Musketeers Limited (In Liquidation)  
As at the date of the Appointment of Liquidators  
Being 21 December 2007**

	<i>Estimated to Realise</i>	<i>Secured Creditor</i>	<i>Estimated Realisable Value \$</i>
<b>Assets Specifically Pledged:</b>			
FIXED ASSETS	2,000	(140,000)	<u>          </u>
<b>Shortfall as regards secured creditor carried down</b>			<u><u>(138,000)</u></u>
<b>Assets not Specifically Pledged:</b>			
Stock			10,000
Cash			<u>2,000</u>
<b>Estimated Total Assets Available for Preferential Creditors</b>			12,000
First Ranking Preferential Creditors			<u>          </u>
Wages and Holiday Pay (Includes PAYE)			(2,000)
			<u>10,000</u>
Second Ranking Preferential Creditors			<u>          </u>
Inland Revenue Department	GST	(5,000)	
	PAYE	<u>(5,000)</u>	
			<u>(10,000)</u>
<b>Estimated Deficiency as regards Preferential Creditors</b>			-
Unsecured Creditors			<u>          </u>
Trade Creditors		(270,000)	
Term Loans		(114,000)	
Shareholder Advances		(550,000)	
Shortfall as regards secured creditor brought down		<u>(138,000)</u>	
			<u>(1,072,000)</u>
<b>Estimated Total Deficiency as regards Unsecured Creditors</b>			<u><u>(1,072,000)</u></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 21 December 2007.

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.

**Two And A Half Musketeers Limited (In Liquidation)****Creditors Known at Liquidation****December 2007**

Page 1

<b>Company</b>	<b>Address1</b>	<b>Address2</b>	<b>City</b>
ACC Workplace	PO Box 38023	Te Puni	WELLINGTON
Advancemobile Ltd	PO Box 37037	Parnell	AUCKLAND
Airtronix Ltd	PO Box 301-060	Albany 0752	AUCKLAND
Allen Shopfitting	PO Box 101604	North Shore Mail Centre	AUCKLAND
BJ Lindsay Trust	PO Box 28669	Remuera	AUCKLAND
Blockbuster National Marketing	PO Box 26464	Epsom	AUCKLAND
Blockbuster Australia	PO Box 26464	Epsom	AUCKLAND
Calvista NZ Ltd	15 Gundry Street	Newton	AUCKLAND
Cavendish Property Holdings Ltd	C/- Wilkinson Property Holdings Ltd PO Box 91577		AUCKLAND MAIL CENTRE
Chubb Monitoring	PO Box 109179	Newmarket	AUCKLAND
Chubb Protective Services	PO Box 109179	Newmarket	AUCKLAND
Coca Cola Amatil	Private Bag 14916	Panmure	AUCKLAND
Commercial Property Management	PO Box 28669	Remuera	AUCKLAND
Confectionery Palace	PO Box 277		KUMEU
Corporate Express	PO Box 7126	Wellesley Street	AUCKLAND 1141
Crean First Foodservice/ Bidvest Logistics	PO Box 300096	Albany	AUCKLAND 1330
Discstation Ltd	PO Box 25460	St Heliers	AUCKLAND
Eftpos Paper Ltd	PO Box 12588	Thorndon	AUCKLAND
Elldex Packaging	PO Box 302078	NHPC	AUCKLAND
Enviro Waste	PO Box 92810	Penrose	AUCKLAND
Flash Construction	PO Box 18026	Glen Innes	AUCKLAND
Games Plus Ltd	PO Box 128-020	Remuera	AUCKLAND
Gamewizz	Private Box 302557	North Harbour	AUCKLAND
Henley Managing & Creating	PO Box 137185	Parnell	AUCKLAND
Home Entertainment Group	PO Box 750	Whangaparaoa	AUCKLAND
Icon Digital Ltd	PO Box 26464	Epsom	AUCKLAND
JSM Entertainment Ltd	PO Box 128-020	Remuera	AUCKLAND
Leading Solutions	PO Box 300701	Albany	AUCKLAND
Lexicon	PO Box 303475	North Harbour	AUCKLAND
Manukau Water	Private Bag 94010		MANUKAU 2240
Mercury Energy	Private Bag 92008		AUCKLAND
Music Carriers	Private Bag 92-149		AUCKLAND
NZ Lotteries Commission	PO Box 8929	Symonds Street	AUCKLAND
Overdrive Systems	PO Box 2523		DUNEDIN SOUTH
RDF Lion Security	PO Box 84-098	Westgate	AUCKLAND
Roadshow Entertainment	Private Bag 19998		AUCKLAND
Simpson Mar Ltd	Po Box 99739		AUCKLAND

**Two And A Half Musketeers Limited (In Liquidation)****Creditors Known at Liquidation****December 2007**

Page 2

<b>Company</b>	<b>Address1</b>	<b>Address2</b>	<b>City</b>
Siren Entertainment	PO Box 531		DUNEDIN
SL Manukau Ltd	PO Box 1894		WELLINGTON 6140
Sony Pictures	PO Box 68041	Newton	AUCKLAND
St Laurence	PO Box 1894		WELLINGTON 6140
Swerve	PO Box 7566	Wellesley Street	AUCKLAND
Telecom NZ Ltd	Private Bag 4742		CHRISTCHURCH
Warner Bros. Ltd	PO Box 128-020	Remuera	AUCKLAND
Westpac	Level 3	286 Victoria Street	HAMILTON
Mary Dunn			
Christopher Fohetaha	34 Cheviot Road	Mangere	AUCKLAND
Albert Folau	20 Imrie Avenue	Mangere	AUCKLAND
Curtis Gwatkins			
Alan Hagai	14 Tannock Place	Mangere	AUCKLAND
Pauline Hopoi	122 Tui Road	Papatoetoe	AUCKLAND
Keith Kapa			
Mekuri Keneti	61 Pitt Avenue	Clendon	AUCKLAND
Kaalar Lagahetau	96 Kirkbride Road	Mangere	AUCKLAND
Jack Thomas	2/5 Manuroa Road	Takanini	AUCKLAND
Astrid Tuaki	96 Kirkbride Road	Mangere	AUCKLAND
Daniel Ung			