

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Karen Mason

Liquidators' First Report

Tek Enterprises Limited (In Liquidation) Trading as Lollipops Playland and Café Birkenhead

1. Appointment

We advise that Karen Betty Mason and Jeffrey Philip Meltzer were appointed joint and several Liquidators of the above company on 10 June 2009 by special resolution of shareholders.

Karen Mason and Jeff Meltzer 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> | 21 February 2006 | |
| <i>Trading Address:</i> | 179 Archers Road, Glenfield, Auckland | |
| <i>Type of Business:</i> | Childrens Entertainment | |
| <i>Date Ceased Trading:</i> | 10 June 2009 | |
| <i>Shareholders:</i> | Janette Ruth MacDonald | 90 shares |
| | Brett Robert MacDonald | 10 shares |
| <i>Directors:</i> | Janette Ruth MacDonald | |
| <i>Share Capital:</i> | 100 ordinary shares | |
| <i>Date of Liquidation:</i> | 10 June 2009 | |

3. Events Leading to Appointment

The Director advises that ongoing issues relating to relocation and the associated expenses, along with a general downturn in business, the company could no longer sustain the running costs. On that basis, the decision was made to wind up the company.



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

- (i) At the time of liquidation there was a Sale and Purchase Agreement that had been entered into. However, the Director was unable to get Franchise and Landlord approval and the purchaser abandoned the Agreement. The Liquidators will endeavour to bring the parties together to effect the sale.

The sale of the business as a going concern is the only way UDC will be paid in full for its security against the climbing frame. Should it be sold as part of a break up it will have no value and UDC will not be paid, therefore the Statement of Affairs will be understated by \$109,000.

- (ii) The assets have been estimated at auction value should the sale not proceed.

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 14 July 2009. 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 Tek Enterprises 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 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: Karen Mason

K B Mason
Liquidator

Dated this 16th day of June 2009

Attach:

**Estimated Statement of Affairs of
Tek Enterprises Limited (In Liquidation)
As at the date of the Appointment of Liquidators
Being 10 June 2009**

| | | <i>Book Value</i> | <i>Estimated Realisable Value</i> |
|--|---------------------------------|---|---|
| | | \$ | \$ |
| Assets not Specifically Pledged: | | | |
| Stock | | | 1,000 |
| Debtors | | | 500 |
| Play Equipment | | | 5,000 |
| Office Equipment & Café Furniture and Accessories | | | 3,000 |
| Motor Vehicles | | | 8,000 |
| | | | <u>17,500</u> |
| | <i>Estimated to Realise</i> | <i>Owed to Secured Creditor</i> | |
| Assets Specifically Pledged: | | | |
| Climbing Frame | 109,000 | 109,000 | <u>-</u> |
| Estimated Total Assets Available for Preferential Creditors and Secured Creditors | | | 17,500 |
| <i>Less – First Ranking Preferential Creditors</i> | | | |
| <i>Wages and Holiday Pay (Includes PAYE)</i> | | | <u>15,059</u> |
| | | | 2,441 |
| <i>Less – Second Ranking Preferential Creditors</i> | | | |
| Inland Revenue Department | PAYE | 35,000 | |
| | GST | <u>42,000</u> | |
| | | | <u>77,000</u> |
| Estimated Total Deficiency as regards Secured Creditors and Unsecured Creditors | | | 74,559 |
| <i>Less – Secured Creditors</i> | | | <u>NIL</u> |
| Estimated Total Deficiency as regards Unsecured Creditors and Shareholders | | | 74,559 |
| <i>Less – Unsecured Creditors</i> | | | <u>163,954</u> |
| Total Deficiency as regards Unsecured Creditors and Shareholders | | | 238,513 |
| <i>Less – Issued and Paid Up Capital</i> | | | <u>100</u> |
| Total Deficiency as regards Unsecured Creditors and Shareholders | | | <u><u>238,613</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 10 June 2009.

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.

Tek Enterprises Limited (In Liquidation)
Creditors Known at Liquidation
June 2009

| Creditor | Address1 | Address2 | Address3 |
|---|---|-------------------------------|----------------------|
| Haidee Noffke | 1/46 Solar Road | Glen Eden | AUCKLAND |
| Sheryl Beaumont | 7 Albert Road | Devonport | AUCKLAND |
| Nikki Horne | 19A Norman Road | Takapuna | AUCKLAND 0622 |
| Nikola Davy | 9 Kerlin Crescent | West Harbour | AUCKLAND 0618 |
| Jennifer Chia | 9 Marie Crescent | Te Atatu South | AUCKLAND |
| Saito Labels Ltd | PO Box 8590 | Symonds Street | AUCKLAND |
| R J Nelligan & Associates Ltd | 1/1 Burns Ave | Takapuna | AUCKLAND |
| Hewitt Scaletti Waters | PO Box 76-270 | Manukau City | MANUKAU 2104 |
| Ants 2 Go | 14 Meadowcourt Drive | Manukau City | AUCKLAND |
| New Zealand Hygiene Kay Services | PO Box 101-581 Unit 2 – 9 Longreach Drive | North Shore City Sunnyvale | AUCKLAND AUCKLAND |
| Green Valley Distribution – North Shore | PO Box 72 623 | Papakura | AUCKLAND 2244 |
| Event Industries Ltd | PO Box 101 703 | North Shore City | AUCKLAND 0745 |
| Glenfield Plumbing & Drainage Ltd | PO Box 40 252 | Glenfield | AUCKLAND |
| Gonutz Foods Ltd | PO Box 21086 | Henderson | AUCKLAND 0650 |
| Catlor Marketing Ltd | PO Box 56 666 | Dominion Road | AUCKLAND 1446 |
| Fresh Food Services (NZ) Pty Ltd | Private Bag 99921 | Newmarket | AUCKLAND |
| North Shore Trading (2007) Ltd | PO Box 78242 | Grey Lynn | AUCKLAND |
| North Shore City Council | Private Bag 93500 | Takapuna | AUCKLAND 0740 |
| Waste Away Ltd | PO Box 58-650 | Greenmount | AUCKLAND |
| Printstop – Tauranga | PO Box 4668 | | MOUNT MAUNGANUI |
| Scotpac | PO Box 106047 | | AUCKLAND CITY |
| Tots to Teens Ltd | PO Box 208 | Shortland Street | AUCKLAND |
| UCD Ltd | Unit 2, 95 Ellice Road | Glenfield | AUCKLAND 0629 |
| National Chemical Corporation New Zealand Ltd | PO Box 12486 | Chartwell | HAMILTON |
| Fuji Xerox New Zealand Ltd | PO Box 5948 | Wellesley Street | AUCKLAND 1141 |
| Bidvest Foodservice Auckland | PO Box 14187 | Panmure | AUCKLAND 1741 |
| Kids Playzone Waikato Ltd | PO Box 15-327 | | HAMILTON |
| Doorman Besam Ltd | PO Box 10055 | Dominion Road | AUCKLAND |
| Lollipops Playland Master Franchise | C/- 10 Rosewood Lane | Tauriko | TAURANGA |
| MacDonald Barnett Partners Ltd | PO Box 26-025 | Epsom | AUCKLAND |

Tek Enterprises Limited (In Liquidation)
Creditors Known at Liquidation
June 2009

| | | | |
|--------------------------------------|-------------------|----------------------------|-------------------------------------|
| Biland Architects Ltd | 5 Twin Court | Albany | AUCKLAND 0632 |
| Reilly Good Electrical Ltd | PO Box 21-998 | Henderson | AUCKLAND |
| Signcraftsmen Ltd | PO Box 100 889 | North Shore Mail Centre | AUCKLAND |
| Simpson Western | Private Bag 93533 | Takapuna | AUCKLAND 0740 |
| Avalon Importers & Traders Ltd | PO Box 83-035 | Edmonton | AUCKLAND 0652 |
| National Chemical Corporation NZ Ltd | PO Box 12486 | Chartwell | HAMILTON Attention: Ray Jennings |