

Absolute Entertainment Limited (In Liquidation)

Liquidators' First Report

1 INTRODUCTION AND APPOINTMENT

Absolute Entertainment Limited ("the company") was placed into Interim liquidation by the High Court at Auckland pursuant to Section 241(4)(d) of the Companies Act 1993 ("the Act") on 12 November 2015 upon the application of Sherif Abdelhaleem Saeed Elkholy. Peri Micaela Finnigan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed jointly and severally as Interim Liquidators of the company at that time.

The Interim Liquidation is now at an end following the formal appointment of Boris van Delden and Peri Micaela Finnigan, jointly and severally as liquidators of the company by the High Court at Auckland on 29 January 2016.

2 RESTRICTIONS

In preparing this report and its appendices we have relied upon information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs setting out the company's estimated financial position
- Appendix 2: Schedule of company creditors' names and addresses
- Appendix 3: Notice of Liquidators' decision to dispense with meeting of creditors
- Appendix 4: Notice to creditors to prove debts or claims
- Appendix 5: Creditors claim form

4 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation: 24 March 2015
Company number: 5648628
Date ceased trading: 12 November 2015

McDONALD VAGUE LIMITED

Level 10, 52 Swanson Street, Auckland CBD

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.

Telephone 09 303 0506, Facsimile 09 303 0508, insol@mvp.co.nz, www.mvp.co.nz

Member of Insol International. Consultants to the Accounting and Legal Professions.

Nature of business:	7D Cinema Operation
Trading address:	Westfield St Lukes, 80 St Lukes Road, St Lukes, Auckland 1346
Trading name:	Absolute Entertainment 7D Cinema
Share capital:	100 Shares
Shareholders:	Sherif Abdelhaleem Saeed Elkholy – 50 Shares Bassel Mahmoud Mohamed Fayed – 50 Shares
Directors:	Sherif Abdelhaleem Saeed Elkholy Bassel Mahmoud Mohamed Fayed

Prior to the appointment of interim liquidators by the High Court on 12 November 2015, the company had come to an agreement with Westfield St Lukes to lease 2 parking spaces to operate a 7D cinema from commencing in July 2015. Following this agreement they commenced construction of the cinema that they had purchased from China. Over the course of the build, a number of issues developed leading to a delay in the scheduled opening of the cinema.

Trading operations ran from on 8 October 2015 to the date of Interim liquidation. Over this time a dispute arose between the shareholders as to how the business should be operated moving forward.

The Interim Liquidators were appointed to take control of the asset, the cinema. The liquidators applied to the Court for an order to sell the asset and that order was granted on 10 December 2015. The landlord initially advised that they would be open to releasing the site to a suitable purchaser, unfortunately no agreement was finalised and the landlord requested the asset be removed prior to the evening of 22 December 2015. It was not cost efficient for the liquidators to remove the asset and sell via auction. The liquidators sold the asset with it being the purchasers responsibility to remove the asset.

The liquidators recovered a pre-liquidation GST return \$9,764

The Interim Liquidators did not trade the business. The asset was sold prior to this formal appointment.

It is unlikely that any distribution will be available for creditors.

5 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

6 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties, and take appropriate steps where necessary.

If there are funds available for distribution to creditors we will verify creditors' claims and make a distribution. We will then complete the liquidation.

7 LIABILITIES AND CREDITOR CLAIMS

7.1 *Secured Creditors*

As at the date of liquidation there are no secured parties that have registered security interests against the company on the Personal Property Securities Register.

Personal Property Securities Act / Reservation of Title

Should any creditor believe that they are entitled to any goods, or proceeds from realisation of goods, due to holding a Purchase Money Security Interest, they should contact us immediately.

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

7.2 *Preferential Creditors*

We understand that there is approximately \$1,306 owing to former employees for wages, holiday pay and redundancy pay.

Applicant creditors costs in the liquidation amount to \$3,760.

The Inland Revenue Department has not yet provided us with a creditor's claim form. It is uncertain if there are amounts due in respect of GST, PAYE and other payroll deductions given that the records of the company are minimal and it appears that the employees were paid in cash with no formal payroll records being provided to date.

7.3 *Unsecured Creditors*

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$106,628. A schedule of known creditors and their addresses is provided at Appendix 2, as required by Section 255(2)(c) of the Act.

8 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 3.

Pursuant to Section 314 of the Companies Act 1993, creditors are advised that at any time in the course of the liquidation the Liquidator shall, at the request in writing of any creditor or shareholder, call a meeting for the purpose of appointing an i liquidation committee.

9 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence and send it to us. Please note that the Liquidators are more able to act on written information.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on the attached creditor claim form. This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz

10 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the liquidation.

11 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on DDI (09) 969 1518 or by email to kpronk@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141


PERI M FINNIGAN
LIQUIDATOR

DATED this 26 day of February 2016

PMF/KP/gck/150
Absolute Entertainment/Commencement/205 First Report

Absolute Entertainment Limited (In Liquidation)

Statement of Affairs

Statement of Affairs for the above named company as at 29 January 2016 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

	<i>Book Value</i>	<i>Estimated to Realise</i>
ASSETS		
Bank Account	83	83
Property Plant and Equipment	55,000	9,000
GST Refund	9,764	9,764
	\$64,847	\$18,847
 LESS PREFERENTIAL CREDITORS		
Employees		1,306
Applicant Creditor Costs		3,760
		\$5,066
 LESS UNSECURED CREDITORS		
Trade creditors		106,628
		\$106,628
 <i>Estimated deficiency as regards unsecured creditors</i>		(\$92,847)

Notes:

1. The above estimates are subject to the costs of the interim liquidation and liquidation.

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

Absolute Entertainment Limited (In Liquidation)

Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor Names	Address 1	Address 2	Address 3
Bassel Mahmoud Mohamed Fayed	52/241 Hinemoa Street	Birkenhead	Auckland 0626
Chris Papa			
Eftpos NZ Limited	P O Box 3457	WELLINGTON 6140	
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
Jatin Walia			
Nitin Bashar			
Oli Preston			
Paige			
Scentre Shopping Centre Management (NZ) Limited	P O Box 109 280	Newmarket	AUCKLAND 1149
Sherif Abdelhaleem Saeed Elkholy	Flat 1 - 121 Shakespeare Road	Milford	AUCKLAND 0620
Tony Hoskins			

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Absolute Entertainment Limited (In Liquidation) and the likely result of the liquidation, it is proposed to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

We do not, however, wish to preclude creditors from expressing their views. Please contact Keaton Pronk of this office on DDI (09) 969 1518 if you have any specific enquiries.

You are advised that should you desire a creditor's meeting, notice in writing is required within 10 working days of receiving this notice.

At the time of giving notice you must also state the reason you require a meeting so that an agenda can be prepared and advertised and creditors can be given the opportunity to vote on any issue by voting letter.


PERI M FINNIGAN
LIQUIDATOR

DATED this 26 day of February 2016

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Absolute Entertainment Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of Absolute Entertainment Limited (In Liquidation) ("the company"), does hereby fix Thursday, the 24th day of March 2016, as the day on or before which the company's creditors are to make their claims, and to establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.


PERI M FINNIGAN
LIQUIDATOR

DATED this 26 day of February 2016

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

PO Box 6092
Wellesley Street
AUCKLAND 1141

Telephone: (09) 303 0506
Facsimile: (09) 303 0508
Website: www.mvp.co.nz

DATE OF LIQUIDATION: 29 January 2016

Unsecured Creditor's Claim

(Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993

(For help see www.mvp.co.nz or email
claims@mvp.co.nz)

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL

* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.

The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.

Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must –
(a) Contain full particulars of the claim; and
(b) Identify any documents that evidence or substantiate the claim.

You may have access to and request correction of any personal information.

(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

Telephone Numbers: ()

()

E-Mail

My Reference is:
(if applicable)

NAME OF COMPANY IN LIQUIDATION:

(IN LIQUIDATION)

I

(If claim is made on behalf of creditor, specify relationship to creditor and authority)

claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM:

1. I am an unsecured creditor for
(Also applicable to secured creditors who hereby surrender their security)

\$

2. I am a preferential creditor for
(Refer details on reverse)

\$

3. My total claim is for
(State currency if other than \$NZ)

Other
Currency

NZ \$

4. I have claimed retention/reservation of title rights pursuant to rights held by me

Tick if Applicable ☐
(Refer details on reverse)

Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you.

Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.

(The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required to attach any supporting documents** at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED:

Date: / /

WARNING —

It is an offence under Section 304(6) of the Companies Act 1993 to –

Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or

Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received
(Date Stamp)

RESERVED FOR OFFICE USE:

Claim admitted/rejected
for voting purposes:
(Delete one)

Signed:

Date: / /

Preferential Claim for:

Ordinary Claim for:

CLAIM REJECTED
FOR PAYMENT:

\$

\$

or
CLAIM ADMITTED
FOR PAYMENT:

Preferential Claim for:

Ordinary Claim for:

\$

\$

Signed
Liquidator:

Date: / /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.

If the creditor owes money to the company, please give full details.

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$20,340 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
(eg. employee, GST, etc) _____
2. Details of your claim: _____

If applicable please record here your GST Registration number: _____

and total GST included in your tax invoice: _____

\$