GERARD HULST & ASSOCIATES

CHARTERED ACCOUNTANTS

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Receiver's First Report

(pursuant to Section 23 of the Receiverships Act 1993)

On the State of Affairs of

Revival Records Limited (In Receivership)

Introduction

Gerard Hulst was appointed Receiver and Manager of all the assets, property and undertakings of the above company on 3rd May 2002.

The appointing debenture holder is : Colin Cleave

The debenture was created on 28th February 2001 and is for a maximum value of $250,000.00. The estimated amount owing at the date of appointment was $216,000.00.

Shareholding

Karl Bernard Tchernegovski 100 Shares

Director

TCHERNEGOVSKI Karl Bernard

Background

The company was incorporated on 23rd February 2001.

It operated a second hand record shop on Karangahape Road that bought and sold second hand CD's, LP's, tapes, videos, and DVD's.

Events leading up to the appointment of Receiver and Manager

The director bought the business from the debenture holder and set up the company in February 2001.

The director advised that there was a drop in turnover because Karangahape Road traffic fell. Music being easily accessible from the internet and the competition from "The Warehouse" also eroded sales.

The director, Karl TCHERNEGOVSKI was adjudicated bankrupt on 24th April 2002. This event triggered the receivership.

Reaction to Appointment

The Director accepted that the debenture holder had no option but to appoint a receiver. Mr Tchernegovski has co-operated with the receiver.

Financial Position of the Company

I have not received any Financial Statements for the company from the director.

Assets and Liabilities identified by the Receiver are:

	Estimated Realisable Value
Assets	
Stock and Fixed Assets	25,000.00
Liabilities	
Debenture holder	216,000.00
Inland Revenue Department	unknown
WestpacTrust	unknown
Eftpos New Zealand Limited	1,944.00
First Electric	217.43

I can confirm that there will be insufficient recoveries to repay the debenture holder, consequently there will be no funds available to unsecured creditors.

Property Disposed of to date

All the stock and fixed assets of the company have been sold.

Matters outstanding pertaining to the Receivership

Lay-by Stock
There were a number of CD's LP's and videos held on lay-by the company when it went into Receivership.

No customer contact details were held for their lay-by items. An advertisement was placed in the New Zealand Herald Public Notices column on Monday 20th May 2002 advertising that the Receiver now held these lay-by items and asked that customers collect these goods by 31st May 2002.

IRD Preferential Claim

I am waiting on the IRD to inform me if there is any outstanding amount owed by the company to them.

Breaches of Other Acts

Section 28 of the Receiverships Act 1993 requires the Receiver to comment whether there have been breaches of the Companies Act 1993 or the Securities Act 1978.

In my opinion there have been no breaches of any other Acts.

Gerard Hulst
Receiver and Manager
Dated this 17th June 2002.
revival records / reports01

File ref: 31/

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Revival Records Limited (In Receivership)

P.O Box 6901 Wellesley Street, Auckland 1

Name and postal address of creditor in full:

Telephone Number:

Facsimile Number:

Amount Claimed: $

I,_____

(title if claim is not on behalf of an individual) _____

claim that the company was at the date it was put into receivership indebted to the above named creditor for the amount claimed. We hold no security for the amount claimed.

PARTICULARS OF CLAIM

Invoice Date	Invoice Number	Brief Description of Goods or Services Provided	Invoice Amount

Attach separate sheet if space is insufficient

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. The receiver may require the production of all documents.

WARNING: It is an offence under the Companies Act 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.

Signed: Date:

RESERVED FOR RECEIVER'S DECISION

CLAIM ADMITTED FOR PAYMENT 0R CLAIM REJECTED FOR PAYMENT

Preferential Claim	Ordinary Claim	Deferred Claim
$	$	$

Signed Receiver: Dated: