
***CD Anywhere
Pty Ltd
ACN 078 082 112***

Administrator's Report to
Creditors

17 November 2008

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1. INTRODUCTION

I was appointed administrator of the company on Friday, 24 October 2008. My appointment as administrator was made pursuant to a resolution of a meeting of the company's directors.

The purpose of the appointment of an administrator to a company is to allow for an insolvency practitioner to control the affairs of a potentially insolvent company during a moratorium and investigation period. At the end of this period the creditors of the company determine its future. Section 439A of the *Corporations Act* requires me to report to you providing:

- a report by the Administrator about the company's business, property, affairs and financial circumstances (see "Information" heading below); and
- a statement setting out the Administrator's opinion about each of the following matters: (see "Administrator's Opinion" heading below)
 - i) whether it would be in the creditors' interest for the company to execute a deed of company arrangement;
 - ii) whether it would be in the creditors' interest for the administration to end; and
 - iii) whether it would be in the creditors' interest for the company to be wound up;

and my reasons for those opinions; and

- if a deed of company arrangement is proposed: a statement setting out details of the proposed deed.

The report is to be considered within 25 business days of the appointment of the administrator.

My investigations have revealed:

- That the company has been trading at a loss for several years, and in that time has accumulated significant losses;
- That the company is insolvent: that is, the company can not pay its debts as and when they fall due;

- a number of transactions with related parties during the 3½ years immediately prior to my appointment. I consider these transactions warrant further investigation, which can be undertaken if creditors resolve that the company be wound up.

No Deed of Company Arrangement is being proposed in this matter. As the company is insolvent, control of the company should not be returned to its directors. Accordingly, I am recommending to creditors that the company be wound up.

2. INFORMATION

2.1. Company History

The company was incorporated in Queensland on 3 April 1997 as Seashor Pty Ltd. It changed its name to CD Anywhere Pty Ltd on 29 July 2005. I understand that the company was trading under the business name "CD Anywhere" before it changed its name.

From the time of its incorporation until my appointment, it supplied new release CDs, DVDs and cassettes from the major Australian suppliers to the convenience market. At its peak, CD Anywhere Pty Ltd was supplying over 2,500 sites, principally service stations and small retailers, throughout Australia.

CD Anywhere Pty Ltd had representatives in each state, which visited most of its customers on a regular call cycle with new products. The company's representatives would also swap older stock at customers sites for newer stock. Appropriate display stands and bins were also provided to customers. Product promotions were conducted from time-to-time.

CD Anywhere Pty Ltd provided an option for its customers to return slow moving stock, either by swapping it for newer stock or returning it for credit. This provision, while of assistance to customers, did create difficulties for the company in assessing sales. The company's Board was frequently concerned with the difficulty it was experiencing in meeting sales budgets. This may have been due to the level of returns, and a failure to appreciate this may well have obscured a significant cause of the problem. A consequence of the returns policy was that the company was left with the difficulty of disposing of this stock.

A further complication in the last two years has been the placement of the company's stock in its customers' outlets. Experience has shown that sales are best when the stock is located close to cash registers. However, in recent years there has been a trend to move CDs, DVDs and cassettes away from this location. Many of the customers are franchisees and I have been advised that they are often expected to follow the franchisor's instructions about the placement of stock.

My investigations have focussed on the period from mid-2005 to the date of my appointment, as this appears to be the most relevant period in the context of the company's current circumstances. A number of significant events in the life of CD Anywhere Pty Ltd occurred in mid-2005. These included:

- Substantial changes to the membership of the Board of Directors;
- Changes in the majority of the members (shareholders) of the company;
- The company moved its distribution centre to leased premises at 98 Hopkins Street, Moonah, Tasmania in mid-2005; and
- The company's major shareholder advanced \$2.9 million to it. This debt was secured by a fixed and floating charge over the assets and undertaking of the company. The charge was not registered with the Australian Securities and Investments Commission. There is some evidence that the company may have been having difficulty in meeting its obligations to its creditors before these funds were made available.

The company embarked on an expansion of its business, including establishing operations in New Zealand in mid-2006. The New Zealand operations, while being effectively administered from the offices of CD Anywhere Pty Ltd, are operated by CD Anywhere New Zealand Ltd, a company incorporated in New Zealand in 2006, and do not come within the scope of my appointment. Nevertheless, the operations in New Zealand were regularly considered by the Board of CD Anywhere Pty Ltd and it appears CD Anywhere Pty Ltd effectively financed the establishment of the New Zealand business.

2.2. Closure of Company Business

Prior to my appointment I met with one of the directors, George Mamacas, and his accountant, David Alomes. Mr Mamacas is also a director of Positive Expectations Pty Ltd, which may be a secured creditor. They initially were considering the appointment of a receiver, but, after considering the available information about the charges secured over the company's assets, it was concluded that it would be more appropriate to appoint an administrator.

I then met with all three of the company's directors. On the basis of the information available it was apparent that:

- 2.2.1 The company was making significant losses, and had been for some years;
- 2.2.2 The company was, and had been for some time, dependant on financial support from George Mamacas and/or entities associated with him;
- 2.2.3 Mr Mamacas did not wish to continue funding the company; and
- 2.2.4 The company was insolvent and a formal administration was required.

On appointment I considered the benefits and risks of trading on. I determined as follows:

- 2.2.5 The company's business was not viable and was unsaleable;

- 2.2.6 A trade-on was unlikely to improve the realisable value of assets;
- 2.2.7 The costs and risks of trade-on were prohibitive; and
- 2.2.8 The business should close immediately and I should proceed to asset realisation as soon as possible.

I closed the business on the day of my appointment (24 October 2008).

2.3. Reasons for Insolvency

The Report as to Affairs discloses that the company is insolvent, i.e. unable to pay its debts as they fall due.

I have considered the information provided to me by the directors and have formed my initial view as follows:

- The company was under capitalised from 2005, especially given the expansion undertaken;
- The company relied heavily on debt finance provided by Positive Expectations Pty Ltd;
- The company has traded at a loss for some years;
- The company significantly expanded its business at a time when the market for CDs and DVDs was contracting; and
- Poor strategic management of the business. In this context, I note that it appears the Board experienced difficulty in obtaining reliable and timely management accounting information.

I consider the company's books and records are maintained in accordance with the *Corporations Act*. However, I am not confident that the directors and staff were able to use the current computerised accounting system to its best advantage.

2.4. Choice of Formal Procedure

Prior to my appointment I examined the need to use the Administration process rather than a Creditors Voluntary Winding up.

At that stage, Mr Mamacas was considering the possibility of putting an offer to creditors. In the circumstances, it was decided that an Administration was the most appropriate course of action, given that there were likely to be significant Retention of Title claims and contingent claims in respect of stock that customers could no longer return for credit.

2.5. Company Structure

2.5.1. Shareholders

	Shares	%
Positive Expectations Pty Ltd	10,000	100

Positive Expectations Pty Ltd is, I understand, the trustee of the Mamacas Family Trust. Its shareholders are George Mamacas and Michelle Mamacas. I believe Positive Expectations Pty Ltd held 80% of the shares in CD Anywhere Pty Ltd from June 2005 until December 2007, when the Board of CD Anywhere Pty Ltd approved the transfer of the remaining 20% of the issued shares from Sanicle Pty Ltd to Positive Expectations Pty Ltd. According to the records held by ASIC, this share transfer occurred on 14 September 2008.

Previous shareholders:

Sanicle Pty Ltd held 20% of the issued shares in CD Anywhere Pty Ltd from June 2005 until at least December 2007. This company also holds a 20% interest in CD Anywhere International Pty Ltd. Sanicle Pty Ltd is the trustee of the Alomes Family Trust.

2.5.2. Directors

At the date of my appointment, CD Anywhere Pty Ltd had three directors:

John Papadakis was appointed a director of the company on 9 June, 2005. He was engaged full time by the company dealing with warehouse operations in Hobart. He is also a director of CD Anywhere New Zealand Ltd.

George Mamacas is the chairman of CD Anywhere Pty Ltd. He was appointed a director of the company on 15 July, 2005. Mr Mamacas is also a director of Positive Expectations Pty Ltd, CD Anywhere International Pty Ltd and CD Anywhere New Zealand Ltd.

Luciano Lucas was appointed a director of the company on 13 August 2005. He was engaged full time by the company, managing sales representatives in the mainland states of Australia.

Former Directors

The number of directors has been reduced from 5 to 3 during the 12 months prior to my appointment. The two directors who resigned were:

David Alomes, an accountant in practice in Hobart. Mr Alomes was appointed a director of CD Anywhere Pty Ltd on 15 July, 2005 and resigned on 14 December, 2007. My search of the records maintained by the Australian Investments and

Securities Commission also showed that Mr Alomes was also the company secretary from 15 July 2005 to 14 December 2007.

Mr Alomes is described in the minutes of the board as being the Finance Director. The Board minutes also record his appointment as Chief Executive Officer of CD Anywhere Pty Ltd on 19 September 2006. It appears he held this position until December 2007, when the current CEO was appointed.

Mr Alomes' firm provided accounting services to the company until approximately 2 months ago. CD Anywhere Pty Ltd retained the services of another firm of accountants approximately 6 weeks prior to my appointment.

Shane Miles was appointed a director of the company on 13 August 2005. He resigned on 14 December 2007.

The records of the Australian Securities and Investments Commission indicate a third director, Michael O'Keefe, resigned as a director on 14 December 2007. However, the records of the company indicate that Mr O'Keefe, tendered his resignation from all positions with CD Anywhere Pty Ltd to its Board on 20 September 2006, effective from 13 October 2006. Mr O'Keefe had been appointed a director and Chief Executive Officer on 31 March 2006.

2.5.3. Related Entities

The following entities are related to CD Anywhere Pty Ltd:

- Positive Expectations Pty Ltd, which now owns 100% of the shares in CD Anywhere Pty Ltd. I understand Positive Expectations Pty Ltd is the trustee of the Mamacas Family Trust. Positive Expectations Pty Ltd is a major creditor of CD Anywhere Pty Ltd;
- The Mamacas Family Trust and the beneficiaries of the trust;
- CD Anywhere International Pty Ltd, which is a major debtor of CD Anywhere Pty Ltd;
- CD Anywhere New Zealand Ltd; and
- Sanicle Pty Ltd, which I understand is the trustee of the Alomes Family Trust.

I have no relationships with any of the above. My Declaration of Independence, Relevant Relationships and Indemnities discloses a normal business relationship with the National Australia Bank Ltd, which is a creditor in this administration.

3. PROPERTY AND AFFAIRS

3.1. Report as to Affairs

I have received a Report as to Affairs from the company's external accountant. A copy of the summary pages of the Report as to Affairs accompanies this report. I have considered the Report as to Affairs, and made appropriate adjustments where necessary. The company's position can be summarised as follows:

	Note	Report as to Affairs	Estimated Realisable Value
		\$	\$
Debtors	1	753,344	605,000
Stock on Hand	2	1,070,000	35,000
Plant & Equipment	3	1,246,665	85,000
Total Assets		3,070,009	725,000
Less:			
Claims by Employees	4	53,122	44,638
Superannuation Obligations	4	23,404	24,702
Secured Creditors	5	416,097	670,261
Estimated funds available to ordinary unsecured creditors		2,577,386	(14,601)
Unsecured Creditors	6	1,093,315	6,233,618
Estimated surplus (deficiency)		1,484,071	(6,248,219)

Notes

1. Sundry Debtors

The Directors have advised that the majority of trade debtors (\$625,176) are collectable.

The amount disclosed in the Report as to Affairs is significantly understated (by about \$275,105) as there are a significant number of debtors who had credit balances as at the date of my appointment: that is, they were owed

refunds by CD Anywhere Pty Ltd.

The amount shown includes amounts owing by two related entities: John Papadakis, a director, of \$105,500 and CD Anywhere International Pty Ltd of \$545,930, comprising goods supplied \$240,255 and loans of \$305,675. It also includes a number of advances to former employees.

The debt owed by John Papadakis is secured by an unregistered equitable mortgage over property owned by John and Maria Papadakis and is believed to be fully recoverable.

The debt owed by CD Anywhere International Pty Ltd is, I understand, unlikely to be recovered in full. I understand the money was lent to CD Anywhere International Pty Ltd in mid-2006, and was then lent to CD Anywhere New Zealand Ltd to assist with establishing its operations. It appears that both CD Anywhere International Pty Ltd and CD Anywhere New Zealand Ltd may be insolvent.

2. Stock on Hand

The stock consists of CDs and DVDs. The Report as to Affairs discloses the stock at cost price and does not provide an estimated realisable value.

I have received retention of title claims, totalling \$894,790.49 from major suppliers. I have estimated the realisable value of the stock after adjusting for the likely retention of title claims as well as selling costs.

The stock will be independently valued.

3. Plant & Equipment

The estimated realisable value has been adjusted for estimated auction costs.

The figure for Plant and Equipment shown in the Report as to Affairs appears to include the following, at their written down values:

Warehouse and office plant and equipment (\$57,566)

I have estimated the realisable value of the plant and equipment at \$53,000.

Motor vehicles (\$242,412)

Most of the vehicles are subject to finance agreements. My enquiries to date indicate that there is likely to be a deficiency on the finance agreements and accordingly, the deficiency should be shown as a partly secured creditor.

While I am still awaiting further results in my investigations, I anticipate two

or three vehicles may prove to be unencumbered. I estimate their realisable value will be approximately \$32,000.

Display equipment (\$928,825)

CD Anywhere Pty Ltd retains the ownership of the display equipment used in the retail outlets it serviced. This amount includes this equipment, which is spread around some 2,500 sites across the nation. It will not be cost-effective to deal with display equipment located in retail sites. I therefore believe this equipment is likely to be of no commercial value.

Furniture and fittings (\$3,300)

This item comprises fittings and shelving. Given the nature of the items, they are likely to be of nominal value only.

Leasehold improvements (\$14,563)

Leasehold improvements, by their very nature, are not likely to be capable of realisation. I therefore assess their value, in the context of likely benefit to creditors, as being nil.

4. Claims by Employees and Superannuation obligations

Claims by employees include wages (especially time in lieu of overtime), holiday pay and redundancy entitlements.

The *Corporations Act* imposes limits on the amount that certain employees¹ are entitled to claim as priority entitlements. After taking this into account, the net priority amount due in respect of employee entitlements (other than superannuation) is expected to fall to \$44,638.

The following amounts will be deferred to ordinary unsecured creditors

- Luciano Lucas \$9,647
- John Papadakis \$2,660

The employee amounts reflect the estimated legal position rather than the lodgement of claims.

The amount shown for superannuation includes both Superannuation

¹ Generally, directors, their spouses and their relatives. Section 556 of the *Corporations Act* refers.

Guarantee Charge for the quarter ended 30 September 2008, superannuation entitlements for October 2008 to the date of my appointment and some additional superannuation contributions being made at the request of employees.

5. Secured Creditors

The National Australia Bank Ltd holds a fixed and floating charge over all assets and undertakings of the company to secure financial accommodation, including overdraft and vehicle finance, provided to CD Anywhere Pty Ltd. Only part of the debt due to the National Australia Bank has been adequately disclosed in the Report as to Affairs.

The directors have guaranteed the debt and the National Australia Bank holds collateral security in addition to the charge over the company.

There is also a second registered charge over all the assets and undertakings of the company in favour of Positive Expectations Pty Ltd, which is claimed to secure a debt of some \$2.9 million. However, I have some concerns about the amount actually secured by this charge and will be obtaining legal advice on this point when appropriate.

The amount shown by the directors in their Report as to Affairs does not appear to include:

- The deficiency on the vehicle finance agreements, or
- any of the debt alleged to be owing to Positive Expectations Pty Ltd.

6. Unsecured Creditors

I understand Positive Expectations Pty Ltd has advanced further funds to CD Anywhere Pty Ltd since the registration of the charge over the assets of the company. This is not disclosed in the Report as to Affairs.

My estimate of the total amount due to unsecured creditors has been adjusted for the amounts owed to Positive Expectations Pty Ltd, that portion of employee debts due to two directors that do not attract priority, debtors who had credit balances and the estimated recovery by creditors under Retention of Title.

The unsecured creditors are detailed in the attached summary. The list covers:

- 6.1 creditors who may have a retention of title claim;
- 6.2 customers owed refunds for stock returned;

6.3 contingent creditors; and

6.4 other ordinary unsecured creditors.

All amounts due to related entities will be properly investigated prior to any dividend being paid.

7. Related Entities

To date, I have identified related entities who have claims as creditors:

- George Mamacas (\$667,000): The company's records show \$700,000 was lent to it in May and June 2008 to reduce its overdraft at the National Australia Bank. This is the outstanding balance;
- Positive Expectations Pty Ltd (\$4,495,885.64): This loan is likely to date back to July 2005. Further amounts have been lent to CD Anywhere Pty Ltd since then, and some payments have been made. The latest advances, according to the company's records, were \$200,000 in February 2008 and \$500,000 in May 2007;
- John Papadakis (\$4,160.72): amounts owing for wages, leave and superannuation entitlements; and
- Luciano Lucas (\$11,147.49): amounts owing for wages, leave and superannuation entitlements

3.2. Employees

At the date of my appointment, the company had approximately 30 employees, including:

- 2 directors;
- a chief executive officer;
- 5 office staff;
- 10 sales representatives; and
- 12 warehouse staff, including a mixture of permanent and casual staff.

3.3. Action by Secured Creditors

Prior to my appointment I asked the National Australia Bank whether it intended to appoint a receiver pursuant to its registered mortgage debenture. The Bank advised

that it did not intend to do so at this time, but it reserved its right to appoint a receiver in the future if it was appropriate to do so.

Positive Expectations Pty Ltd has taken no action to appoint a receiver.

3.4. Co-Operation of Directors

I advise that to the best of my knowledge the directors (since my appointment) have acted diligently and in a co-operative manner in the best interest of all creditors.

4. ADMINISTRATOR'S OPINION

I am required to state my opinion to which of the three possible courses of action (viz, an end to the administration; a winding up; or a deed of company arrangement) would be in the best interest of creditors.

4.1. End the Administration

It is not in the interests of creditors to end the administration. In this circumstance the directors would have no alternative but to place the company into liquidation due to its insolvency. If the directors fail to place the company into liquidation then creditors would have to go to the expense of applying to the Court for the appointment of a liquidator.

4.2. Winding Up of the Company

At the meeting of creditors a resolution may be put to place the company into liquidation.

If the company were to go into liquidation, the liquidator would investigate the possible recovery from directors for insolvent trading and be able to recover voidable transactions including preferences and uncommercial transactions.

4.2.1. Preferences and Uncommercial Transactions

On the basis that there is no viable alternative for the company, other than liquidation, I have not considered the prospects for the recovery of voidable preferences and uncommercial transactions. The matter will be considered in the liquidation process.

However, my preliminary investigations indicate there are a number of transactions between CD Anywhere Pty Ltd and related entities that warrant further enquiries.

4.2.2. Insolvent Trading

As at the date of my appointment, formal financial statements were not

available. However, I have reviewed the company's Income Tax return for the year ended 30 June 2007 and management accounts contained in the Board papers.

It appears the company has amassed considerable losses over the past 5 years. The expansion of the company's business operations and the assistance it provided in establishing the New Zealand operations have not improved matters.

It is apparent that the company has been reliant on the financial support of Positive Expectations Pty Ltd and Mr Mamacas since at least mid-2005.

As well as being able to pursue directors for insolvent trading, a liquidator is also able to pursue a holding company for insolvent trading by a subsidiary.

The recovery of funds from a director, or a holding company, for insolvent trading is generally a difficult and protracted exercise which may require funding from a creditor or litigation insurer. A successful claim will depend, amongst other matters, on the level of assets of the director or holding company.

However, at this stage, it appears the liquidator will have very limited resources to conduct an investigation into possible insolvent trading. *Creditors with a strong belief that more detailed investigations should be conducted should contact my office in the first instance.*

4.2.3. Director's Assets and Employment

I have conducted a preliminary investigation of the assets of the directors. I note the following:

- a) Mr Mamacas is the registered owner of his residence and of a vacant block of land at Port Arthur. Both properties are mortgaged to the National Australia Bank as collateral security for banking accommodation made available to CD Anywhere Pty Ltd.
- b) Mr Mamacas is a director of CD Anywhere Pty Ltd, CD Anywhere International Pty Ltd, CD Anywhere New Zealand Ltd and Positive Expectations Pty Ltd.
- c) Mr Papadakis and his wife are the registered owners of a residence. This property is also subject to a mortgage to the National Australia Bank. Mr Papadakis is a director of CD Anywhere Pty Ltd and CD Anywhere New Zealand Ltd.
- d) Mr Lucas has a one-quarter share as tenants in common of a residence in Sydney. The other owners are Anne Lucas (a one-quarter share) and George Mamacas (a one-half share). This property is also subject to a

mortgage to the National Australia Bank.

- e) While Mr Papadakis and Mr Lucas have been assisting the administrator with the closure of CD Anywhere Pty Ltd's business and preparing for the disposal of its assets, this is only short-term. Both directors are likely to be seeking alternative employment in the near future.

4.2.4. Projected Return to Creditors

Preferential unsecured creditors are expected to receive 100 cents in the dollar subject to their right to receive a dividend ahead of National Australia Bank.

Ordinary unsecured creditors are not expected to receive a dividend on the basis that there appears to be insufficient assets available for the payment of the first-ranking secured creditor.

The National Australia Bank is expected to receive partial payment of its debt with the return dependent on:

- the quantum of stock subject to valid Retention of Title clauses;
- the costs associated with dealing with Retention of Title claims and any disputes arising;
- the success of the sale process; and
- general administration costs.

Prior to any payment to the Bank the validity of its security documentation will be independently assessed. In the event of a deficiency, the Bank is likely to rely on its collateral security, including the directors' guarantees.

4.2.5. Administrator's and Liquidator's Remuneration

Creditors are referred to Creditor Information Sheet published by IPA which outlines the process by which remuneration is set. A copy of this document was enclosed with my initial correspondence. It may also be obtained from my website: www.tendee.com.au

Please read *Information fro Creditors on Remuneration and Costs in Insolvency Administrations* for information about the fees charged by this practice for this type of work. This firm normally seeks to be remunerated on the basis of an hourly rate for the staff engaged in the administration. This ensures that creditors are only charged for work that is performed as I am unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the administration.

Also enclosed is a Remuneration Report which gives a description and estimate of

work to be completed in this administration. My current estimate for remuneration for the administration period is \$96,300 plus GST plus disbursements and a further \$85,700 plus GST plus disbursements for the liquidation. The variation from my initial estimates is due to the need to keep the warehouse staffed to deal with stock being returned from representatives and to classify stock on hand.

4.3. Deed of Company Arrangement

A deed of company arrangement is undertaken where an administrator believes that the business, property and affairs of an insolvent company can be dealt with in a manner that maximise the chances of the company continuing in existence or results in a better return than winding up.

I have discussed the prospects of a Deed of Company Arrangement with Mr Mamacas, who has provided significant financial support to the company over a number of years. After obtaining independent advice, Mr Mamacas has advised that he is not prepared to make a proposal that would benefit ordinary unsecured creditors at this point.

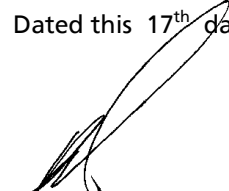
I understand Mr Lucas and Mr Papadakis are not in a position to make a proposal for a Deed of Company Arrangement.

Accordingly, a deed of company arrangement has not been proposed.

5. RECOMMENDATION

I believe it is in the best interests of creditors to place the company into liquidation.

Dated this 17th day of November 2008



REJ Tenbense
Administrator

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Hobart TAS 7001

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03 6233 1881

APPENDIX 1**CD Anywhere Pty Ltd**

Schedule of Creditors - According to Report as to Affairs

Abacus Accounting & Bookkeeping Pty Ltd	HOBART TAS 7000	4,746.50
ABC Health Care		171.60
All Interactive Distribution Pty Ltd	QLD 4212	21,347.92
Allianz Aust Workers' Comp (Vic) Ltd	MELBOURNE VIC 3001	879.59
Aurora Energy Pty Ltd	HOBART TAS 7001	1,158.79
ASIC	GIPPSLAND MAIL CENTRE VIC	277.00
Ausmag Media	SEVEN HILLS NSW 2147	3,778.50
Australia Post	MELBOURNE VIC 3001	25,231.05
Australian Air Express	TULLAMARINE VIC 3043	11,739.68
Australian Taxation Office	NSW	23,551.90
Axsys	HOBART TAS 7000	790.63
BOC Limited	MELBOURNE MC VIC 8383	149.90
Bolinda	TULLAMARINE	20,614.70
Caltex Retail Program	SURRY HILLS NSW 2010	3,030.90
Colossal Records Of Australia Pty Ltd	VIC	2,164.80
Corporate Express	ALEXANDRIA NSW 1435	921.13
Display Industries	HOBART TAS 7000	266.97
Entertainment Distributors Company Pty Ltd	BLACKTOWN NSW 2148	325,278.65
Essential Office National	NORTH HOBART TAS 7000	251.16
Foot & Playsted Pty Ltd	LAUNCESTON TAS 7250	10,975.80
Glenorchy City Council	GLENORCHY TAS 7010	5,364.51
Ikin Store It (07111)	QLD	340.00
Iris Computing Pty Ltd	NORTH HOBART TAS 7000	6,367.87
Kisielewicz, Luke		355.00
Labelpress Pty Ltd	MOONAH TAS 7009	22,559.50
Laser Corporation Pty Ltd	NORTH RYDE NSW 2113	5,895.12
Marketmakers Accessories Pty Ltd	ST KILDA VIC 3189	180.40
Mastocs Pty Ltd	MT STUART TAS 7000	330.00
Metropolitan Groove Merchants	SYDNEY STH NSW	19,176.53
Mobile Messenger Aust Pty Ltd	NORTH SYDNEY NSW 2060	27.00
MRA Entertainment Group Pty Ltd	EAGLE FARM QLD 4009	6,716.28
Murfett, Jeremy		800.00
National Storage Chehalla	SA 5014	203.00
National Storage Roccdany	WA 6168	166.00
NJ & RJ Barling Superannuation Pty Ltd	MOONAH TAS 7009	2,993.50
Nulite Daytime Displays & Plastic Mldngs	BROOKVALE NSW 2100	4,422.25
O'Connor, Justin		1,663.00
Office Of State Revenue Qld	BRISBANE QLD	183.20
Office Of State Revenue-Nsw Treasury	SYDNEY NSW	1,918.67
Office State Revenue Victoria	MELBOURNE VIC	729.29
Packaging Plus	MOONAH TAS 7009	200.64
Paramount Pictures Home Entertain'T Pty	MELBOURNE VIC 3001	16,229.76

Ltd		
Port Phillip Publishing	VICTORIA 3195	197.00
Primus/Telecom	MELBOURNE VIC 8045	1,280.77
QEC Distribution	MOLENDINAR QLD 4214	1,809.96
R.H Steinitz & Assoc.	BRISBANE QLD 4003	242.00
Red Horse Club	MELBOURNE VIC 3001	12,692.31
Roam Tolling	SYDNEY NSW 2001	533.35
Sell, Steven		74.20
Skandia One Corporate Solutions	SYDNEY NSW 2001	13,479.37
	NORTH PARRAMATTA NSW	
	1750	124,955.21
Sony Pictures Home Entertainment Pty Ltd		
Tasfreight	DEVONPORT TAS 7310	6,950.71
Tasfreight T/A Eastcoast Transport	TAS	319.81
Telstra Corporation Ltd	MELBOURNE VIC 3001	89.95
Totally Work Wear	HOBART TAS 7001	109.80
Twentieth Century Fox Home Ent Pty Ltd	BLACKTOWN NSW 2148	47,294.76
Universal Music Australia Pty Ltd	KINGSGROVE NSW 1480	304,125.25
Universal Pictures (Australasia) Pty Ltd	KINGSGROVE DC NSW 2208	22,030.85
Veolia Environmental Services (Collex)	ROSNY PARK TAS 7018	230.79
VIP Home and Office		254.10
Visy Display	RESERVOIR VIC 3073	5,489.00
Vodafone	SYDNEY NSW	1,519.77
Wellington Springs Pty Ltd	MOONAH TAS 7009	253.00
Workcover Queensland	QLD 4001	42.63
Workcover S.A.	ADELAIDE SA 5001	979.37
Total		\$1,099,102.65

APPENDIX 2

Summary pages of Report as to Affairs

3. Assets and liabilities

Date specified under the relevant section as the date of the report (see Directions) 24 / 10 / 08

3.1 Assets not specifically charged	Valuation <small>(for each entry show whether cost or net book amount)</small> \$	Estimated Realisable Values \$
(a) interest in land as detailed in schedule A	—	
(b) sundry debtors as detailed in schedule B	\$753,344	
(c) cash on hand	—	
(d) cash at bank	(\$416,097)	
(e) stock as detailed in annexed inventory	\$1,070,000	
(f) work in progress as detailed in annexed inventory	—	
(g) plant and equipment as detailed in inventory	\$1,246,665	
(h) other assets as detailed in schedule C	\$431,609	
Sub total	\$2,765,563	

	Valuation <small>(for each entry show whether cost or net book amount</small>	Estimated Realisable Values
	\$	\$
3.2 Assets subject to specific charges, as specified in sch. D	Unknown	
Less amounts owing as detailed in schedule D		
Total assets		
Total Estimated Realisable Values	—	
3.3 Less payable in advance of secured creditor(s)		
Amounts owing for tax instalment deductions and prescribed payments tax		
Amounts owing for employee entitlements	\$53,121	
3.4 Less amounts owing and secured by debenture or floating charge over assets		
3.5 Less preferential claims ranking behind secured creditors as detailed in schedule F	\$23,404	
3.6 Balances owing to partly secured creditors as detailed in schedule G	—	
Total Claims	\$76,525	

Security Held		
3.7 Creditors (unsecured)	\$1,093,315	
Amount claimed		
3.8 Contingent assets (\$)	Not known	
Estimated to produce as detailed in schedule I		
<p>3.9 Contingent liabilities</p> <p>Estimated to rank as detailed in schedule J (\$)</p> <p><input type="checkbox"/> Estimated deficiency or</p> <p><input type="checkbox"/> Estimated surplus</p> <p>or <input type="checkbox"/> Subject to costs of administration <input type="checkbox"/> Subject to costs of liquidation</p> <p>Share Capital \$</p> <p>Issued \$</p> <p>Paid Up \$</p>		