

Gameloft New Zealand Limited (In Liquidation)

Liquidators' First Report

1 INTRODUCTION AND APPOINTMENT

Gameloft New Zealand Limited ("the company") was placed into liquidation by a special resolution of the shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 5 February 2016. Peri Micaela Finnigan and Boris van Delden, Chartered Accountants of Auckland, were appointed as joint and several liquidators of the company.

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:	26 January 2012
Company number:	3702396
Date ceased trading:	4 February 2016
Nature of business:	Video Gaming Studio
Trading address:	C/- Crowe Horwath, Level 29, 188 Quay Street, Auckland 1010
Trading name:	Gameloft
Share capital:	100 Shares

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.

Shareholder:	Gameloft SE (France)
Directors:	Wenceslas Betolaud Alexandre De Rochefort Gonzague Charles Marie De Vallois Julien Fournials Michel Guillemot Daniel Keith Stephens
Related companies:	Gameloft SE (France)

The French shareholding company closed the New Zealand office on 28 January 2016. The closure is no reflection of New Zealand's video gaming industry. The French owned video games developer has shut seven other studios worldwide and New Zealand was next in line in a strategy to focus on other studios. Following the announcement 148 staff have been made redundant. A further 11 staff are employed until 29 February 2016 to assist in the wind down and completion of work in progress.

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 realise all available assets. If any creditor is interested or knows of any other party who may be interested in purchasing any of the assets, please advise us urgently. The company owns a large number of computers and technological equipment and has a lot of furniture and equipment. The liquidators are already considering offers on the equipment. The intellectual property is subject to international licensing and to a large extent is not recoverable. This however will be further investigated.

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 and request that the Registrar of Companies remove the company from the register.

7 LIABILITIES AND CREDITOR CLAIMS

7.1 Secured Creditors

As at the date of liquidation two secured parties had registered security interests against the company on the Personal Property Securities Register.

- Advaro Funding Limited
- Ricoh Finance - a division of Ricoh New Zealand Limited

Advaro Funding Limited have uplifted the leased equipment subject to their security and have advised that there is no debt.

We are yet to hear from Ricoh Finance in relation to their asset.

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

The large majority of employees had been paid prior to liquidation. There are 11 staff that have claims for unpaid wages, holiday pay and redundancy pay.

The Inland Revenue Department has not yet provided us with a creditor's claim form but we understand that the company is up to date with PAYE and GST.

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 \$5,100,078. This amount includes a contingent debt to Callaghan Innovation of \$2,900,000. The status of this claim is yet to be established.

The liquidators have made enquiry regarding whether the intercompany creditor intends to lodge a claim or alternatively subordinate their claim and have not yet had a response. The query was only raised a day ago and is being considered. The liquidators have filed this report to meet filing commitments without a formal response.

A schedule of known creditors and their addresses is provided at Appendix 2, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is included at Appendix 4. Also enclosed is a creditor's claim form for completion and return to this office by Thursday, 24 March 2016. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor please contact us and the appropriate form will be sent to you.

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 a 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

The Liquidators believe the liquidation may be concluded within six months.

11 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI (07) 838 0908 or by email to CSanderson@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 16th day of February 2016

Gameloft New Zealand Limited
Statement of Affairs

Statement of Affairs for the above named company as at 5 February 2016 showing assets at estimated realisable values and liabilities expected to rank.

ASSETS SPECIFICALLY PLEDGED	<i>Estimated to Realise</i>	<i>Due to Secured Creditor</i>	<i>Deficiency Ranking as Unsecured</i>	<i>Surplus</i>
<i>Securities registered on the Personal Property Securities Register</i>				
Ricoh Finance - Afficio Copier	-	-	-	-
Estimated surplus / (deficiency) as regards specifically pledged assets	\$ -	\$ -	\$ -	\$ -
ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS			<i>Book Value</i>	<i>Estimated to Realise</i>
Accounts receivable			2,500	-
Bank account balances			2,337,975	2,337,975
Other Debt Receivable (see note 3 below)			1,074,723	Unknown
Prepayments			18,457	-
Total			3,433,655	2,337,975
<i>Less preferential creditors</i>				
Employees (holiday pay / wages / redundancy)				131,782
Inland Revenue Department				-
Total				131,782
<i>Estimated surplus as regards preferential creditors</i>				
				\$2,206,193
ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S			<i>Book Value</i>	<i>Estimated to Realise</i>
Estimated surplus from assets specifically pledged				-
Estimated surplus as regards preferential creditors				2,206,193
Computer software & equipment (See note 4 below)			393,119	Withheld
Furniture & fittings (See note 4 below)			183,231	Withheld
Licences (See note 5 below)			62,269	-
Prepaid Tax			44,405	44,405
Total			683,024	2,250,598
LESS GENERAL SECURITY AGREEMENT HOLDER/S				
none registered				-
<i>Estimated surplus as regards General Security Agreement holders</i>				
				\$2,250,598
Less deficiency as regards preferential creditors				-
Surplus available for unsecured				2,250,598

AVAILABLE FOR UNSECURED CREDITORS	2,250,598
LESS UNSECURED CREDITORS (all rank equally on pro rata basis)	
Estimated deficiency as regards Secured Creditors	-
Estimated deficiency as regards General Security Agreement holders	-
Estimated deficiency as regards preferential creditors	-
Trade creditors (See note 6 below)	138,252
Intercompany creditors - Gameloft SA France	2,039,359
Income Tax Liability	22,467
Callaghan Innovation (See note 7 below)	2,900,000
<i>Estimated (deficiency) as regards unsecured creditors</i>	<u><u>(\$2,849,480)</u></u>

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to costs.
3. The amount owed may be subject to set off.
4. Estimated value withheld as its release may prejudice sale negotiations.
5. All licences and intellectual property are held by Gameloft SE France.
6. The outcome for trade creditors depends greatly on whether a contingent claim is lodged under the terminated funding agreement and/or if the Intercompany creditor lodges a claim in the liquidation. If there is no claim by Callaghan Innovation, or if they have no valid claim then there is an expectation that all creditors will be paid in full. If there is a claim lodged and it is admitted by the liquidators (subject to a legal review) and the Intercompany creditor subordinates their claim (if agreed), then trade creditors and the contingent creditor will receive a part distribution. If both related creditor and contingent creditor claim in the liquidation then the outcome is a much lesser distribution entitlement for the unsecured creditors. The position is not yet known and depends on the actions of the funder and related party creditor.
7. This is a contingent claim. The funding agreement was terminated prior to liquidation. The company completed substantial work under this agreement prior to liquidation which has not been paid and may reduce the claim, if any, significantly.

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.

Gameloft New Zealand 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
Employees			
Arnaud Galand			
Bart Klepka			
Evtim Trenkov			
Gary Germain			
Jacquelynn Hammond			
Max Fredmyynn			
Nick Classen			
Nick Duff			
Nicolas Fourrier			
Ricardo David			
Sue Dunstan			
Vijay Kumar			
Yucong Lin (Jessie)			
Zhibin Zhang (Kenny)			
Trade Creditors			
Advaro Funding Limited	P O Box 1061	Shortland Street	AUCKLAND 1140
Andrew Westwood	1 / 33 Fulton Street, St Kilda East	Melbourne, VIC 3183	AUSTRALIA
Ashley Pickup	3C / 10 Augustus Terrace	Parnell	AUCKLAND
Black Eagle Security	P O Box 91 500	Victoria Street West	AUCKLAND 1142
Cafe Express	43 Crooks Road	East Tamaki	AUCKLAND 2013
City Build	P O Box 90 128	Victoria Street West	AUCKLAND 1142

Creditor Names	Address 1	Address 2	Address 3
Callaghan Innovation	P O Box 2225	Shortland Street	AUCKLAND 1140
Corporate Cabs Auckland	P O Box 24 319	Royal Oak	AUCKLAND 1345
Crowe Horwath	P O Box 158	Shortland Street	AUCKLAND 1140
Digital Island Data	P O Box 8560	Symonds Street	AUCKLAND 1150
Ecopods	P O Box 7202	Taradale	NAPIER 4141
Envirowaste	Private Bag 92 810	Penrose	AUCKLAND 1642
Exotic Planters	P O Box 5562	Wellesley Street	AUCKLAND 1141
Fruit Guys NZ Limited	P O Box 331 577	Takapuna	AUCKLAND 0740
Hansoft	Dragarbrunnsgatan 41A	SE-753 20 Uppsala	SWEDEN
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
Intellifsec Limited	P O Box 7172	Wellesley Street	AUCKLAND 1141
iPayroll Limited	P O Box 25 216	Featherston Street	WELLINGTON 6146
Liquorland	P O Box 99 570	Newmarket	AUCKLAND 1023
Mercury Energy	P O Box 25 216	AUCKLAND 1142	
OfficeMax	Private Bag 92 831	Penrose	AUCKLAND 1141
Parnell Liquorland	P O Box 99 570	Newmarket	AUCKLAND 1023
Phu Giang	512 Whistlers Walk Trail	Cedar Park, TX78613	UNITED STATES
Playtech	P O Box 302 138	North Harbour	AUCKLAND 0751
Pronto Print & Design Limited	P O Box 78 228	Grey Lynn	AUCKLAND 1245
Ricoh Finance - a division of Ricoh New Zealand Ltd	P O Box 68 024	Newton	AUCKLAND 1145
RSM Hayes Audit	P O Box 9588	Newmarket	AUCKLAND 1149
Spark NZ Trading Limited	P O Box 1473	CHRISTCHURCH 8140	

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Gameloft New Zealand 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 Colin Sanderson of this office on DDI (07) 838 0908 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 16th day of February 2016

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Gameloft New Zealand Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of Gameloft New Zealand 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.


PERIM FINNIGAN
LIQUIDATOR

DATED this 16th 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: 5 February 2016



The Insolvency & Business Recovery Specialists

McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

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 Telephone Numbers: () () E-Mail My Reference is: (if applicable)	<p>* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.</p> <p>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.</p> <p>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 –</p> <p>(a) Contain full particulars of the claim; and (b) Identify any documents that evidence or substantiate the claim.</p> <p>You may have access to and request correction of any personal information.</p> <p>(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)</p>
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NAME OF COMPANY IN LIQUIDATION:

_____ **(IN LIQUIDATION)**

(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
 Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you. Tick if Applicable
 (Refer details on reverse)

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: / /
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WARNING —

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

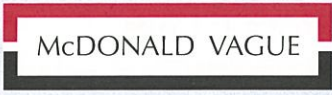
Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or

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.

<p style="text-align:center">Received (Date Stamp)</p>	RESERVED FOR OFFICE USE:	
	Claim admitted/rejected for voting purposes: (Delete one)	Signed: _____ Date: / /
	<u>CLAIM REJECTED FOR PAYMENT:</u>	Preferential Claim for: \$ _____ Ordinary Claim for: \$ _____
	or <u>CLAIM ADMITTED FOR PAYMENT:</u>	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.



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Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Particulars of Claim

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: \$ _____