



The Insolvency & Business Recovery Specialists

## North South Finance Limited (In Receivership & In Liquidation)

### Liquidators' Seventh Report

#### For the period from 17 March 2013 to 16 September 2013

#### 1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Iain McLennan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of North South Finance Limited ("the company") on 17 September 2010 by the High Court at Auckland.

Grant Robert Graham and Brendon James Gibson were appointed Joint and Several Receivers and Managers of the assets and undertakings of the Company on 8 July 2010, pursuant to a Debenture Trust Deed dated 10 August 2001 granted in favour of Covenant Trustee Company Limited ("the Trustee").

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This seventh report should be read in conjunction with the liquidators' previous reports. This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

There have been no Realisations or Distributions to date.

#### 2 RESTRICTIONS

This report has been prepared in accordance with section 255(2)(d) of the Act. 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 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

##### *Asset Realisations*

The receivers have control of the company's property assets. The receivers' last report dated 15 February 2013 advises that 65 cents in the dollar has been distributed to investors, and estimates that investors will receive between 65 and 70 cents in the dollar in total from the receivership. Three realisation matters remain under the receivers' control.

#### 4 INVESTIGATIONS

The liquidators continue to monitor the various other legal actions that are underway and are reviewing their options for legal action against directors and trustees.

The liquidators have received or had made available to them a large amount of relevant company records, however, most records continue to be held by other investigating agencies.

Despite the absence of some records, the liquidators have continued to advance their investigations into a number of areas of concern, and are considering which if any actions can be pursued.

## 5 CREDITORS' CLAIMS

### 5.1 *Preferential Creditors*

No preferential claims have been received. The receivers also report that they are unaware of any Inland Revenue Department debt

### 5.2 *Unsecured Creditors*

We have received three unsecured claims totalling \$7,849.

## 6 LIQUIDATORS' FEES

No liquidators' fees have been billed to the date of this report. Our unbilled time and cost to date is set out below.

Liquidators' fees at the date of this report are \$63,027. The fees are based on 204.8 hours of work undertaken as follows:

<b>Work Category</b>	<b>Hours</b>	<b>\$</b>
Appointment functions	22.8	5,947
Asset realisations	1.4	560
Creditors' claims, enquiries and reports	14.5	3,735
Management	9.1	2,284
Taxation	0.3	90
Investigations	156.7	50,411
<b>Total Unbilled Time and Costs</b>	<b>204.8</b>	<b>\$63,027</b>

Liquidators' fees in a Court ordered liquidation are to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

## 7 FUNDS / LIKELY OUTCOME

The receivers report that there will be a shortfall on the amounts due to the secured creditors. Therefore, any prospect of recovery for investors and unsecured creditors is entirely dependent on the outcome of any legal actions which may follow from our investigations.

## 8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Recovery of further books and records
- Further investigations

## 9 ESTIMATED DATE OF COMPLETION

Based on the above, the liquidators cannot give an indication of when the liquidation may be completed.

## 10 CONTACT DETAILS

Enquiries should be directed to Boris van Delden on DDI (09) 306 3342 or by email to [bvandelden@mvp.co.nz](mailto:bvandelden@mvp.co.nz).

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IAIN McLENNAN  
LIQUIDATOR

DATED this 27<sup>th</sup> day of November 2013