



McDonald
Vague

business recovery partners

North South Finance Limited (In Receivership & In Liquidation)

Liquidators' Thirteenth Report (for the period from 17 March 2016 to 16 September 2016)

McDonald Vague Limited

Level 10, 52 Swanson Street,
Auckland Central

PO Box 6092, Wellesley Street,
Auckland 1141, New Zealand

p: 09 303 0506

f: 09 303 0508

e: insol@mvp.co.nz

www.mvp.co.nz

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 thirteenth 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 7 September 2016 advises that the receivership is almost complete and that 72.12 cents in the dollar has now been distributed to investors.

4 INVESTIGATIONS

Given the above recoveries for investors, the liquidators consider that it is highly unlikely that any further litigation recoveries will be commenced based on a cost benefit analysis taking into account the small amount of unsecured trade creditors.

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 \$64,665. The fees are based on 211.8 hours of work undertaken as follows:

Work Category	Hours	\$
Appointment functions	25.2	6,379
Asset realisations	1.6	648
Creditors' claims, enquiries and reports	16.2	4,005
Management	10.5	2,712
Taxation	0.3	90
Investigations	158.0	50,831
Total Unbilled Time and Costs	<u>211.8</u>	<u>\$64,665</u>

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. There is therefore unlikely to be any distribution for unsecured creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Completion of the receivership.

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.

The Liquidators can be contacted at:

McDonald Vague
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141



IAIN McLENNAN
LIQUIDATOR

DATED this 6 day of March 2017