

**LBC Holdings UK Limited**

(formerly Administrators Appointed, now Subject to Deed of Company Arrangement)  
(‘the Company’)

Company No. 4774859

21 January 2019 | 90024

**Overview of the voluntary administrations of the CBL group companies**

Neale Jackson and Brendon Gibson were appointed joint and several Administrators of the Company and nine related entities of CBL Corporation Ltd on 23 February 2018 in accordance with Section 239I of the Companies Act 1993. All ten of the companies in administration are non-trading holding companies.

The Administrators were appointed to LBC Holdings UK Limited, CBL Corporation Limited (**CBLC**), LBC Holdings Americas Limited, CBL Corporate Services Limited, LBC Holdings New Zealand Limited, LBC Holdings Australasia Limited, LBC Treasury Company Limited, LBC Holdings Europe Limited, Deposit Power Limited and South British Funding Limited (all Administrators Appointed) (together the ‘Companies’).

The first creditors’ meeting of the Companies took place on 7 March 2018.

We applied to the Court in March 2018 under Section 239AT of the Act to extend the watershed meetings of the Company and the other Companies. On 23 March 2018 Justice Hinton granted leave to extend the convening period until 11 May 2018, and the watershed meeting date to 18 May 2018.

In May 2018 two of the directors of CBLC put forward a restructuring proposal. To provide time to consider the proposal we made a further application to the Court on 9 May 2018 under Section 239AT of the Act to extend the watershed meeting of the Companies, with the exception of CBLC.

An extension was not sought for CBLC and the Administrators convened and duly held the watershed meeting for CBLC on 18 May 2018. The Administrators adjourned the watershed meeting as it became apparent that, at that point in time, there would be a voting stalemate in relation to the resolutions required to be put forward (either placing the company into liquidation or handing control of the company back to its directors). The watershed meeting was adjourned to be held no later than 2 July 2018. In June 2018 the Court granted a further adjournment of the watershed meeting of CBLC to 17 August 2018. This aligned the watershed meeting date for CBLC with that of the subsidiaries.

As the restructuring proposal put forward by two of the directors may have had implications for the Company and the other Companies we sought further extensions of the convening period for their watershed meetings. On 27 July 2018 Justice Hinton granted leave to extend the convening period to 10 November 2018, and the watershed meetings date to 17 November 2018.

The watershed extension applications had aligned the dates of the watershed meetings with the expected resolution of the status of one of CBLC’s largest subsidiaries, CBL Insurance Ltd (CBLI). CBLI was in interim liquidation and a hearing to determine whether it would be permanently placed into liquidation was adjourned a number of times, necessitating deferral of the watershed meetings for the Companies.

The outcome for CBLI was a key consideration in assessing the potential options for the group, including the restructuring plan that was proposed by two of CBLC’s directors. The Administrators had been working to progress the restructuring plan which could have been implemented through a voluntary administration of CBLI, to avoid it being placed into liquidation.

The CBLI liquidation hearing was subsequently timetabled to start on 12 November 2018 in the High Court, requiring a further extension of the watershed meeting convening period to 11 December 2018, and the meeting date to 18 December 2018.

In the Administrators’ view a restructuring plan implemented through a voluntary administration offered the potential to deliver a better outcome for CBLI’s creditors and creditors of the wider CBL group companies, with the possibility of equity being realised for the benefit of the Company’s creditors. Ultimately however two of CBLI’s major creditors did not support voluntary administration, which is their right. CBLI was placed in liquidation on 12 November 2018.



## Watershed meeting

At the watershed meeting of the Company on 18 December 2018 the creditors resolved that the Company execute a Deed of Company Arrangement. The creditors of LBC Holdings Europe Limited, LBC Holdings New Zealand Limited, LBC Holdings Australasia Limited, LBC Treasury Company Limited resolved that these companies also execute deeds of company arrangement that were tabled at the meeting.

The creditors of CBL Corporate Services, Deposit Power Limited and South British Funding Limited resolved to place those companies in liquidation on 18 December 2018.

## Restrictions

This report has been prepared by us in accordance with and for the purposes of Section 239ACZ of the Companies Act 1993 ('the Act'). It is prepared for the sole purpose of reporting the Administrators' receipts and payments for the period.

In compiling this report, we have relied on the accuracy of all relevant information provided by the Company. While all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

Amounts are in NZD unless specified.

## 1 Details of Administrators

Date of appointment: 23 February 2018

Names: Neale Jackson and Brendon Gibson

Address: Level 16, 45 Queen Street, Auckland Central, Auckland 1010

## 2 Details of accounts

Are the accounts final: Yes

Date of vacation of office: 18 December 2018

Accounts and statements made up from: 23 August 2018 to 18 December 2018

## 3 Payments to creditors

### Estimate of total creditors at the date of this account (18 December 2018)

Estimated number of priority creditors	NIL
Estimated value	NIL
Estimated number of secured creditors	NIL
Estimated value	NIL
Estimated number of unsecured creditors	4
Estimated value	\$144,908,847
Estimated number of deferred	NIL
Estimated value	NIL



Payments made to creditors from the date of appointment to the date of this account (18 December 2018)

	<i>23 August 2018 to 18 December 2018</i>	<i>23 February 2018 to 18 December 2018</i>
<b>Priority Creditors</b>		
Date Paid:	NIL	NIL
Total Paid:	NIL	NIL
Rate of payment (cents in the \$):	N/A	N/A
<b>Secured Creditors</b>		
Date Paid:	NIL	NIL
Total Paid:	NIL	NIL
Rate of payment (cents in the \$):	N/A	N/A
<b>Unsecured Creditors</b>		
Date Paid:	NIL	NIL
Total Paid:	NIL	NIL
Rate of payment (cents in the \$):	N/A	N/A
<b>Deferred Creditors</b>		
Date Paid:	NIL	NIL
Total Paid:	NIL	NIL
Rate of payment (cents in the \$):	N/A	N/A

## 4 Secured lenders

There were no secured lenders on the date the administrators were appointed.

## 5 Summary of professional fees

Remuneration paid to us during the administration period from 23 February to 18 December 2018 is: \$301,065.

Amount received by us in respect of expenses during the administration period from 23 February to 18 December 2018 is: \$0

The costs and expenses incurred in relation the Company primarily relate to the sale of the UK-based Professional Fee Protection business. The sale resulted from a process initiated by the Administrators. The sale agreement was entered into by the Company subsidiary that owned the Professional Fee Protection business, PFP Holdings Pte Ltd (In Liquidation). The proceeds from the sale of the Professional Fee Protection business are currently held by the liquidators of PFP Holdings Pte Ltd while they complete their investigation and statutory procedures to facilitate a distribution.



## 6 Account of receipts and payments since the date of appointment

### Statement of Administrators' receipts and payments from 23 February 2018 to 18 December 2018

	23 August 2018 to 18 December 2018	23 February 2018 to 18 December 2018
	\$	\$
<b>Receipts</b>		
Funding	651,709	651,709
<b>Total receipts</b>	<b>651,709</b>	<b>651,709</b>
<b>Payments</b>		
Administrators fees	301,065	301,065
Consultancy fees	41,582	41,582
Interest paid	37	37
International administrators fees	14,556	14,556
Legal fees	243,560	243,560
Salaries and wages	47,670	47,670
Staff amenities	3,240	3,240
<b>Total payments</b>	<b>651,709</b>	<b>651,709</b>
<b>Net cash flow</b>	<b>-</b>	<b>-</b>
<b>Closing balance</b>	<b>-</b>	<b>-</b>

The final period captures the settlement of inter-company advances made by CBL Corporation Limited (Administrators Appointed) to fund administration costs incurred by the Company.

## 7 Reconciliation of money held

### Reconciliation of money held at 18 December 2018

	\$
<b>Cash in hand</b>	<b>-</b>
Credit as per bank statement	-
Less unrepresented cheques	-
Plus outstanding deposits	-
<b>Equals cash at bank</b>	<b>-</b>
Amounts invested and not converted to cash	-
<b>Total balance of money held</b>	<b>-</b>



## 8 Verification of this account and statement

We declare that the statements below are correct.

- The information given in the statement is true to the best of our knowledge and belief at the date of signing.
- The account of receipts and payments set out in Section 6 contains a full and true account of our receipts and payments in this period and we have not, nor has any other person by our order or for our use during that period, received or paid any money on account of the company other than and except for the items mentioned and specified in that account.

Signed by:



Neale Jackson  
Joint Administrator

Date: 21 January 2019

