

## Wynyard (NZ) Limited (In Liquidation) ('the Company')

Company No. 4370298

7 September 2017 | 10306

### 1 Introduction

We advise that Neale Jackson and Grant Robert Graham were appointed Joint and Several Liquidators of the abovenamed Company by a resolution of creditors on 8 February 2017 under Section 241(2)(d) of the Companies Act 1993 ('the Act').

This report covers the six monthly period, 8 February 2017 to 8 August 2017, and should be read in conjunction with all other liquidator and administrator reports issued on the Company.

### 2 Restrictions

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without our written permission in each specific instance. We do not assume any responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

We reserve the right (but will be under no obligation) to review this report and if we consider it necessary to revise the report in light of any information existing at the date of this report which becomes known to us after that date.

### 3 Background

The Company was placed into voluntary administration on 25 October 2016. At the creditors' watershed meeting held on 8 February 2017, the creditors voted to place the Company in liquidation. A background to the Company and the voluntary administration can be found in the Administrators' Report to Creditors for the purposes of the joint Watershed Meeting available on our website ([www.kordamentha.com](http://www.kordamentha.com)).

This report addresses WNZL, the New Zealand trading entity for the Group.

The holding company was Wynyard Group Limited which is also in liquidation. The wider (consolidated) business incorporated subsidiary companies in Australia, Canada, the United Kingdom and the United States. These subsidiaries are in insolvency administrations in their respective jurisdictions. We are not the administrators/liquidators of those entities.

The Company operated from offices in Auckland, Christchurch and Dubai. All matters dealing with operations in these locations have now been resolved.

### 4 Conduct of the Liquidation

The key focus since our appointment has been to realise the remainder of the Company's assets, including:

- The sale of the Advanced Crime Analytics product (ACA) in March 2017
- The sale of the ERA trademark in May 2017
- Refund of prepaid Insurance premiums of \$51,915
- Collection of debtor receipts totalling \$124,477. A number of client accounts were unrecoverable due to breach of contractual obligations; some of these clients have filed unsecured creditor claims with the Company.
- A small number of assets (computer equipment and furniture) that have been sold down concurrently.



The last asset remaining to be realised is receivables from subsidiaries of \$5.9 million. We have filed an unsecured creditor claim in the liquidations of Wynyard (UK) Limited and Wynyard (Australia) Pty Limited (both in Liquidation). Neither of the unsecured creditor claims has been admitted to date. We have no reason to expect they will be rejected. The outcome of these claims will be determined once the liquidations in other jurisdictions have finalised all outstanding matters. We are in regular contact with the offshore liquidators but they have not confirmed their timing.

WGL has lodged a creditor's claim in WNZL for \$171 million, which has yet to be admitted by WNZL. The return to creditors will depend materially on whether the WGL claim is admitted by WNZL, and for what value (if any). Given the impact WGL's claim will have on WNZL's other creditors, we are undertaking a detailed review of all the circumstances giving rise to the intercompany debt. We will then be in a position to make an informed judgment as how it should be dealt with.

The Liquidators have investigated the trading and financial affairs of the Company, including potential voidable transactions. To date we are not aware of any insolvent transactions and/or breaches of legislation occurring. Should any creditors have any information or any matter that they feel warrants investigation, please advise the Liquidators in writing.

## 5 Creditor claims

We have received \$180 million of creditor claims as shown in the table below.

<b>Creditor type</b>	<b>\$'000</b>
Preferential claims (paid in full)	2,114
Unsecured creditor claims (admitted claims)	6,962
WGL unsecured claim (not admitted to date)	171,010
<b>Total creditors' claims received</b>	<b>180,086</b>

We are unable to estimate the amount of funds that may be available to unsecured creditors at this stage. We also confirm:

- Preferential claims were paid in full totalling \$2,113,691.45.
- No distributions have been made to unsecured creditors to date.
- We are still assessing the WGL unsecured claim for \$171 million.
- We received a number of creditor claims that were not valid and were not admitted in the liquidation. The relevant parties have been notified of this.
- The closing date for creditor claims to be submitted was 3 March 2017. We do not anticipate receiving any further claims.

## 6 Statement of Receipts and Payments

A statement of receipts and payments for the period 8 February to 8 August 2017 is attached to this report.

## 7 Summary and estimated date of completion of liquidation

It is not practicable to provide an estimated date for the completion of the liquidation at this stage.

Should you have any queries regarding the liquidation of the company, please do not hesitate to contact Larissa Logan of this office.

Yours faithfully



Neale Jackson  
Joint and Several Liquidator



**Wynyard (NZ) Limited (In Liquidation)**

Statement of Liquidators' receipts and payments from 8 February 2017 to 8 August 2017

<b>Receipts</b>	<b>\$</b>	
Cash on hand	2,310,970	
Debtor receipts	124,477	
GST on bad debt adjustment	6,191	
GST funds held on behalf of Group	7,921	
Insurance refunds	51,915	
Interest received	2,702	
Sales of assets	<u>1,235,773</u>	3,739,949
 <b>Residual receipts relating to VA period</b>		
GST refunds	97,932	97,932
<b>Total receipts</b>		<b><u>3,837,881</u></b>
 <b>Payments</b>		
Administration charges	7,251	
Advertising	141	
Bank charges	1,515	
Commission	911	
Consultancy fees	27,778	
Employee preferential claim	2,113,691	
Legal costs	103,368	
Liquidators remuneration	330,040	
Payroll services	7,275	
Software / IT related costs	40,754	
Storage	313	
Sundry payments	87	
Travelling expenses	<u>1,054</u>	2,634,178
 <b>Residual payments relating to VA period</b>		
Administrators remuneration	96,319	
Administration charges	5,540	
Advertising	342	
Consultancy fees	6,870	
GST payable	924	
Legal costs	9,750	
Postage, printing and stationary	2,203	
Sundry payments	282	
Telephone	674	122,903
<b>Total payments</b>		<b><u>2,757,081</u></b>
<b>Net cash flow</b>		<b><u>1,080,800</u></b>