

FE Investments Limited (In Receivership and in Liquidation)

Company No. 1353487

31 May 2024 | 30666

1. Introduction

On 1 April 2020, licensed insolvency practitioners Neale Jackson and Brendon James Gibson of Calibre Partners were appointed Joint Receivers and Managers ('the Receivers') of all of the assets and undertaking of FE Investments Limited ('FEI' or 'the Company') pursuant to a Trust Deed dated 8 August 2003 (as amended from time to time) and a security interest registered in accordance with the Personal Property Securities Register Act 1999 on 9 October 2003, granted in favour of Trustees Executors Limited ('TEL').

This is the Receivers' ninth statutory report and covers the period 1 October 2023 to 31 March 2024 ('the Period').

2. Restrictions

This report has been prepared by us in accordance with and solely for the purposes of Section 24 of the Receiverships Act 1993.

In compiling this report, we have relied on the accuracy of all relevant information provided by the Company. We have not independently audited or verified that information and express no opinion on its accuracy, completeness or reliability.

We do not accept any liability whatsoever arising from this report.

All information contained in this report is for the confidential use of the parties to which it is provided in accordance with Sections 26 and 27 of the Receiverships Act 1993 and is not to be disseminated or passed to any other person without prior written authority or in accordance with law.

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

This report should be read in conjunction with the Receivers' previous reports which can be viewed on the New Zealand Companies Office website.

As advised previously, prior to the appointment of the Receivers, FEI had been working to recapitalise the Company. It was unable to recapitalise, and defaults occurred under the terms of the trust deed dated 8 August 2003 (as amended from time to time). As a result, TEL appointed the Receivers.

The amount owed to deposit holders as at the date of receivership totalled \$54.6 million. As a consequence of the receivership, all payments of principal and interest to deposit holders were suspended.



4. Asset position

4.1 Asset realisations

The asset position as at the date of the Receivers' appointment was summarised in an earlier report.

During the Period, the Receivers have realised the following:

	\$000
Finance lease income	39
Interest received	8
Other loan income	24
Total	71

Finance leases

We have realised approximately \$39,000 from managing the finance lease book during the Period.

We will continue to manage the remaining loan book for the benefit of depositors.

Other loans

During the Period, we collected approximately \$24,000 from borrowers. As advised previously a significant number of these loans were in dispute at the date of the Receivers' appointment. Since appointment, we have resolved several of these loans and paid distributions to depositors when it was cost effective to do so.

4.2 Funds currently held on Trust

In January 2024, we processed catch-up distributions of \$36,000.

We currently hold \$36,000 to cover balances owed to 'incomplete' depositors from the distributions to date. We will continue to make catch up distributions as depositors complete the confirmation process.

5. Investigations into the affairs of FEI

Our previous reports detailed notifications we have made to regulators and action taken as a result. We have no further update in this regard.

As noted in previous reports, Rhys Cain of EY was appointed liquidator on 24 July 2020. EY have recently disbanded their restructuring division in New Zealand. As such, Mr Cain has resigned and appointed Morgan Kelly of EY Sydney as liquidator. Mr Kelly is licenced in New Zealand. The investigations into the affairs of the Company will continue under the new liquidator.

6. Depositors

At the date of receivership there were 1,234 individual deposits totalling \$54.6 million. Interest continues to accrue on this balance in accordance with each deposit certificate.

Since our appointment we have paid eight interim distributions to depositors, totalling \$15.33 million:

- 30 October 2020: \$2.53 million paid to depositors who had completed the depositor confirmation process before 27 October 2020. Depositors received a distribution of 4.5% of the value of their deposit as at 30 October 2020. This is the equivalent of 4.64% of the amount owed at the date of receivership.
- 23 December 2020: \$2 million paid to depositors who had completed the depositor confirmation process before 3 December 2020. Depositors received 3.7% of the value of their deposit as at 23 December 2020. This is the equivalent of 3.66% of the amount owed at the date of receivership.



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- 31 March 2021: \$3 million paid to depositors who had completed the confirmation process. Depositors received 5.67% of the value of their deposit as at 31 March 2021. This is the equivalent of 5.49% of the amount owed at the date of receivership.
 - 30 July 2021: \$2.5 million paid to depositors who had completed the confirmation process. Depositors received 4.92% of the value of their deposit as at 30 July 2021. This is the equivalent of 4.58% of the amount owed at the date of receivership.
 - 11 February 2022: \$2.5 million paid to depositors who had completed the confirmation process. Depositors received 5.03% of the value of their deposit as at 11 February 2022. This is the equivalent of 4.58% of the amount owed at the date of receivership.
 - 27 July 2022: \$1.25 million paid to depositors who had completed the confirmation process. Depositors received 2.58% of the value of their deposit as at 27 July 2022. This is the equivalent of 2.29% of the amount owed at the date of receivership.
 - 23 December 2022: \$0.8 million paid to depositors who had completed the confirmation process. Depositors received 1.66% of their deposit as at 23 December 2022. This is the equivalent of 1.47% of the amount owed at the date of receivership.
 - 1 September 2023: \$0.75 million paid to depositors who had completed the confirmation process. Depositors received 1.52% of their deposit as at 1 September 2023. This is the equivalent of 1.37% of the amount owed at the date of receivership.

To date depositors have received total distributions of approximately 28.08% of the amount due at the date of receivership.

Catchup distributions will be paid at the end of each month to those depositors that complete the depositor confirmation process.

The Receivers will notify depositors prior to the payment of any further distributions.

7. Creditors

7.1 Preferential creditors

Employees have received their full preferential claim amounts and no preferential amounts remain owing to them.

The IRD's claim in the receivership was \$316,442. This amount has been paid in full.

7.2 PMSI Creditors

Our search of the Personal Property Securities Register shows several parties had registered financing statements against the Company. The registrations were summarised in the schedule attached to the Receivers' first report. We have assessed secured interests and confirmed those with a perfected security interest.

7.3 Unsecured Creditors

To date, we have received \$96,297 in unsecured creditor claims.

As noted above, Rhys Cain has resigned as liquidator and has been replaced by Morgan Kelly of EY Sydney. Unsecured creditors should contact the new liquidator with any claims or queries.



Should you have any queries regarding this report, please do not hesitate to email fei@calibrepartners.co.nz.

Yours faithfully



Neale Jackson
Joint Receiver



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Statement of Receivers' receipts and payments for the period 1 October 2023 to 31 March 2024

	\$
Opening balance	1,012,047
Receipts	
Finance lease income	38,752
Interest received	8,301
Other loan income	24,369
Total receipts	71,422
Payments	
Administration charges	3,311
Debt collection costs	5,031
Investors Distributions	36,368
Liquidators' funding	20,000
Loan related costs - legal fees	
Property loans	3,514
Other loans	50,468
Receivers' remuneration	
Asset Realisation	15,181
Depositor	5,306
General administration	14,058
Operations: Employee, trading, banking and accounting	34,801
Statutory and reporting	14,227
Property costs	9,162
Staff wages	15,276
Software/ IT related costs	41,541
Sundry payments	5,962
Trustee fees	15,000
Total payments	289,207
Net cashflow	(217,785)
Closing balance	794,263
Comprises of:	
Bank balance	777,512
GST receivable / (payable)	16,751
Closing balance	794,263