
FE Investments Limited (In Receivership and in Liquidation)

Company No. 1353487

1 December 2021 | 30666

1. Introduction

On 1 April 2020, licenced 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' fourth statutory report and covers the period 1 April 2021 to 30 September 2021 ('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. Commentary

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:

	\$m
Finance lease income	0.84
Other loan income	2.26
Other realisations	0.06
Total	3.16

Finance leases

The Receivers have realised \$0.84 million from managing the finance lease book during the Period.

During the Period, the Receivers finalised a sale of FEI's bad debt loan book and received additional sums, held on trust, from the sale of certain loans in February 2021. The total amount received is included in the 'Other realisations' figure above.

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

Other loans

As advised previously a significant number of these loans are currently in dispute. During the Period, we have collected \$2.26 million from borrowers. The majority of the realisations arise from small business loans, working capital loans or monthly repayments from loans assigned to FEI.

4.2 Funds currently held on Trust

As advised previously, there is currently \$2.56 million sitting in the Receivers' trust account, which is the proceeds from property loans which are subject to potential claims from third parties.

In addition, there is approximately \$2.09 million held in our solicitor's trust account, following settlement of a property sale, which is also subject to claims from third parties.

These funds are held on trust pending resolution of these claims.

	\$m
Property Loan: Anzac	1.64
Property Loan: BL Holdings/Alberton	0.92
Property Loan: MTE 31 Limited	2.09
Total	4.65



5. 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 four interim distributions to depositors, totalling \$10.03 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.
- 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.

To date depositors have received total distributions of approximately 18.4% 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 are currently assessing whether they can pay a further distribution to depositors from the funds available. The Receivers will notify depositors prior to the payment of any further distributions.

6. Creditors

6.1 Preferential creditors

During the Period, the Receivers have paid \$14,157 (net) in respect of employees' preferential entitlements. Employees have received their full preferential claim amounts and no preferential amounts remain owing to them.

The IRD was paid \$316,442 in the period in full and final settlement of its preferential claim.

6.2 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.

6.3 Unsecured Creditors

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

On 24 July 2020, FEI was put into liquidation by special resolution of the shareholders pursuant to section 241(2)(a) of the Companies Act 1993. Rhys Cain of the firm EY is the liquidator of FEI. Unsecured creditors should contact the 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



FE Investments Limited (In Receivership)

Statement of Receivers' receipts and payments for the period 1 April 2021 to 30 September 2021

	\$
Opening balance	3,034,323
Receipts	
Finance lease income	840,062
Interest received	3,548
Other income	3,381
Other loan income	2,259,858
Sale of loan contracts	53,670
Total receipts	3,160,520
Payments	
Administration charges	8,851
Advertising	4,756
Bank charges	1,957
Commission	50,800
GST payments	48,232
Legal costs	60,539
Loan advances	3,369
Loan related costs - legal fees	
Business loans	54,404
Other loans	149,821
Property loans	33,934
Investor distributions	2,543,917
Preferential distribution - Employees	14,157
Preferential distribution - IRD	316,442
Premise costs	21,380
Receivers' remuneration	
Asset realisation	70,323
Depositor related	36,021
General administration	49,884
Investigation	32,364
Operations: Employee, trading, banking and accounting	84,896
Statutory and reporting	18,592
Strategy	2,951
Software/IT related costs	52,179
Staff costs	124,547
Sundry costs	6,129
Trustee fees	15,361
Total payments	3,805,807
Net cashflow	(645,287)
Closing balance	2,389,036
Comprises of:	
Bank balance	2,520,463
GST and PAYE (payable)/receivable	(131,427)
Closing balance	2,389,036
Funds held on Trust	2,561,325