

Receivers' Fourth Report



Mutual Finance Limited (In Receivership)
("the Company")
Company No: 855747

30490
6 March 2012

Introduction

Grant Robert Graham and Brendon James Gibson were appointed Joint and Several Receivers and Managers of the assets and undertakings of the Company on 14 July 2010 pursuant to a Debenture Trust Deed dated 19 August 2002 granted in favour of Covenant Trustee Company Limited ("the Trustee").

Restrictions

This report has been prepared by us in accordance with and for the purposes of Section 24 of the Receiverships Act 1993. It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership. 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.

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 the law.

Commentary

- The Company was incorporated in May 1997 and traded as a finance company providing commercial and consumer loans. The Company traded from leased premises in central Auckland.
- Due to a breach of the Debenture Trust Deed, the Trustee appointed Receivers in order for the loans of \$8.2 million to be recovered and other assets (comprising two properties in New Plymouth and Cable Bay, a debtors ledger of \$396k and minor office furniture and equipment) to be realised.
- \$850k was recovered from borrowers in the period. In addition to consumer loans, we expect recoveries from a further 6 commercial loans.
- The Company's investors qualified under the Crown's Retail Deposit Guarantee Scheme. Treasury has confirmed all investors have been repaid.
- We have repaid \$1.8 million to the Crown to date.

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- As at the date of appointment the preferential liabilities comprised employee holiday entitlements of \$8k (gross) which have now been paid. At this time we have yet to receive a claim from the Inland Revenue Department.
- From the Company records and claims received to date, we estimate that the total unsecured creditor liability is circa \$161k. Again, we have yet to receive a claim from the Inland Revenue Department which is likely to increase the current unsecured claims.
- Based on our preliminary estimates, we believe that it is extremely unlikely there will be a return to unsecured creditors.



B J GIBSON
Joint Receiver

Mutual Finance Limited
(In Receivership)
Statement of Receipts & Payments
From 14 July 2011 to 13 January 2012

Receipts	
Balance brought forward	3,192,387
Interest received	12,844
Loan repayments	849,500
Loan repayments (not finPOWER)	2,516
Sale of Asset - New Plymouth property	307,207
Total Receipts	4,364,454
Payments	
Balance brought forward	1,973,382
Advance	31,250
Commission	12,655
Distribution to secured creditor	600,000
Legal costs	126,436
Property Related Costs	3,633
Rates – Council	2,875
Receivers' remuneration	94,704
Software/ IT-related costs	1,446
Sundry expenses	1,486
Trustee fees	25,464
Total Payments	2,873,331
Net Cashflow	1,491,123