

Receivers' Seventh Report



**EX-MFL Limited (formerly Mutual Finance Limited)
(In Receivership) (“the Company”)
Company No: 855747**

30490
27 August 2013

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”).

This report relates to the period 14 January 2013 to 13 July 2013.

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.
- \$32k was recovered from borrowers in the period.
- 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.
- As at the date of appointment the preferential liabilities comprised employee holiday entitlements of \$8k (gross) which have now been paid. A preferential Inland Revenue claim has been received and \$48k has been paid.

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- From the Company records and claims received to date, we estimate that the total unsecured creditor liability is circa \$161k. Unsecured creditors will not be paid.
- On 5 October 2012 all the Company's remaining assets (excluding cash on hand) were purchased by the Crown. The purchase price was paid by way of offset against the amount the Company owes the Crown (as a result of the payments it made to the Company's debenture holders).
- The Company holds approximately \$1.2 million in cash which is presently subject to a dispute with another party and cannot therefore be distributed.

Receipts and Payments

Attached is a summary of our receipts and payments for the period of this report.



B J GIBSON
Joint Receiver

EX-MFL LIMITED
(formerly Mutual Finance Limited)
(In Receivership)
Statement of Receipts & Payments
From 14 January 2013 to 13 July 2013

Receipts	\$
Balance brought forward	4,582,042
Interest Received	10,981
Sundry Receipts	27
Total Receipts	4,593,050
Payments	
Balance brought forward	3,331,173
Bank Charges	71
Courier	1,355
Legal Costs	11,308
Prior Periods GST	9,134
Receivers Remuneration	18,242
Receivers Disbursements	510
Trustee Fees	16,504
Sundry Payments	1,041
Total Payments	3,389,339
Net Cashflow	1,203,711