
FE Investments Limited (In Receivership and in Liquidation)

Company No. 1353487

30 November 2022 | 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' sixth statutory report and covers the period 1 April 2022 to 30 September 2022 ('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:

	\$000
Finance lease income	256
Payroll bond release	214
Other loan income	353
Other realisations	12
Total	835

Finance leases

We have realised approximately \$256,000 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 \$353,000 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.

We received approximately \$214,000 following the release of a payroll bond that FEI had provided pre-receivership.

4.2 Funds currently held on Trust

As per our last report, we held approximately \$0.51 million in our Trust account, which was proceeds relating to the BL Holdings/Alberton Loans. During the Period, we finalised the dispute with the third parties who claimed an interest in the proceeds.

In September 2022, we distributed on a pro-rata basis \$0.33 million to third parties and \$0.18 million to FEI. FEI's share of the proceeds was released to our 'general current account' and will be available for the next distribution to deposit holders.

During the Period, we also paid catch-up distributions of approximately \$43,000 to parties who did not receive the interim distribution in December 2021.

We continue to hold \$1.04 million in the Receivers' trust account which are the residual proceeds under the Anzac loans. Entitlements to those proceeds remain subject to dispute. We are close to finalising matters with those third parties. Further detail will be provided in the next Receivers' report.

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

	\$m
Property Loan: Anzac	1.04
Total	1.04



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 six interim distributions to depositors, totalling \$13.78 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.
- 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.

To date depositors have received total distributions of approximately 25.27% 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

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.

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



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Statement of Receivers' receipts and payments for the period 1 April 2022 to 30 September 2022

\$

Opening balance	2,587,647
Receipts	
Finance lease income	245,034
Interest received	6,385
Other loan income	353,022
Recoveries released from Trust account	549,646
Release of payroll bond	214,056
Sale of assets	2,765
Total receipts	1,370,909
Payments	
Administration charges	1,871
Co-Investors distributions	374,026
Insurance	19,825
Investors distributions	1,245,587
Legal costs	3,906
Loan related costs - legal fees	
Property loans	23,646
Other loans	7,164
Receivers' remuneration	
Asset Realisation	26,395
Depositor	8,506
General administration	5,476
Investigation	4,088
Operations: Employee, trading, banking and accounting	29,573
Statutory and reporting	8,977
Staff wages	14,593
Software/ IT related costs	39,376
Sundry payments	4,604
Trustee fees	21,513
Total payments	1,839,125
Net cashflow	(468,217)
Closing balance	2,119,430

Comprises of:

Bank balance	2,180,945
GST receivable / (payable)	(61,514)
Closing balance	2,119,430
Funds held on Trust*	1,039,463

* These funds are held on trust as external parties may have a claim on the proceeds. Interest continues to accrue on this amount