

# Receivers' Sixth Report



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

30490  
15 February 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 July 2012 to 13 January 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.
- 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 \$1.25 million in cash which is presently subject to a dispute with another party and cannot therefore be distributed.
- 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

**EX-MFL LIMITED**  
**(formerly Mutual Finance Limited)**  
**(In Receivership)**  
**Statement of Receipts & Payments**  
**From 14 July 2012 to 13 January 2013**

<b>Receipts</b>	
Balance brought forward	4,469,535
Advance Reimbursed	65,761
Interest Received	13,430
Loan Repayments (Net)	32,148
Loan Repayments (not finPOWER)	880
Sundry Receipts	288
<b>Total Receipts</b>	<b>4,582,042</b>
<b>Payments</b>	
Balance brought forward	3,061,257
Legal Costs	124,623
IRD - Preferential Claim	48,364
Property Related Costs	276
Receivers' Remuneration	73,979
Software/ IT-related costs	1,272
Sundry Expenses	3,600
Trustee Fees	17,802
<b>Total Payments</b>	<b>3,331,173</b>
<b>Net Cashflow</b>	<b>1,250,869</b>