
Forestlands (No. 10) Limited (In Liquidation) ('the Company')

Company No. 1779859

3 April 2023 | 01135

1. Introduction

Neale Jackson and Grant Robert Graham ('Liquidators'), Licensed Insolvency Practitioners, were appointed Joint and Several Liquidators of the Company by order of the High Court, Nelson on 6 September 2018 pursuant to Section 241(2)(c) of the Companies Act 1993 ('the Act') on the application of the Financial Markets Authority ('FMA'). The Liquidators are also the liquidators of other related companies in the Forestlands group ('Forestlands Group').

We understand that prior to liquidation a solvency certificate was signed by the Company's director. We have not seen this but we believe the Company is solvent.

This is the Liquidators' 10th report. It covers the period 6 September 2022 to 5 March 2023 ('the Period').

The Liquidators' other reports, and other information relevant to the liquidations of the Forestlands Group companies, can be found on the Calibre Partners website: <https://www.calibreparters.co.nz/flx-creditor/forestlands-2-20/>.

2. Restrictions

This report has been prepared by us in accordance with and solely for the purposes of Section 255(2) of the Companies 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 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 Section 255(2) of the Companies 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.

All references to \$ are in NZD.

3. Background

This report should be read in conjunction with other Liquidators' reports which can be viewed on the New Zealand Companies Office website at <https://companies-register.companiesoffice.govt.nz/>.

Background to the Liquidators' appointment and the actions taken since appointment are detailed in the Liquidators' previous reports.



4. Shareholder confirmation process

As previously advised:

- A summary of the actions undertaken to establish an accurate share register are detailed in the Liquidators' previous reports.
- The status of the shareholder confirmation process for this Company is as follows:

	% of shareholders	% of shares
Confirmation process completed	96	97
Missing information	4	3

- We no longer proactively locate or follow up incomplete shareholder information. We do not believe there are further steps it is practicable to take to locate shareholders who have not contacted us since the liquidation commenced.
- We will continue to process shareholder information that is forwarded to us and make catch up payments for eligible shareholders.
- The confirmation process has been time consuming. We believe that the above approach is in the best interests of the shareholder group as a whole and will ensure that we do not incur unnecessary costs.

We appreciate the patience shown by shareholders as we work toward paying all eligible shareholders their share of the funds available in the liquidation.

5. Distributions to shareholders

We expect to pay a final distribution to shareholders towards the end of the liquidation – refer sections 8 and 11 below.

During the Period, no distributions were paid to shareholders.

As previously advised:

- The total amount that has been distributed to date in the liquidation to shareholders is \$1,577 per share.
- Details of previous distributions and the steps taken to facilitate these distributions to eligible shareholders are summarised in our previous Liquidators' reports.
- We continue to pay catch-up distributions to shareholders as they complete the confirmation process.

6. Asset realisations

Background to the actions taken by the Liquidators in relation to the asset realisations process are summarised in our earlier reports.

The Liquidators confirm there are no further assets to realise.

7. Action taken by the Financial Markets Authority ('FMA')

As previously advised, since appointment we have worked closely with the FMA and provided information as and when requested to assist with its investigations.



As shareholders will be aware, a jury trial had been scheduled to start on 16 March 2023, however prior to it commencing Mr Kearns pled guilty to certain charges that had been laid by the FMA. We understand that sentencing is scheduled to take place at Nelson District Court on 2 May 2023.

Shareholders should monitor the FMA website for further updates on the outcome of the sentencing hearing.

Should the FMA provide us with any additional information and confirm that we can disclose it to shareholders then this will be included in future reports.

8. Future distributions

We expect to pay a final distribution to shareholders towards the end of the liquidation.

We expect this to be a small distribution, as it will be the residual funds remaining in the liquidations once all required steps have been completed to finalise the liquidations. This will include sums that we are required to set aside until completion of the liquidation (e.g. the reserve amounts for unidentified shareholders set aside pursuant to Court orders).

The amount available will vary from entity to entity.

We will only know the amount available for the final distribution once we have clarity on the final claims of all shareholders and the surpluses available.

Therefore, shareholders should not assume that all available funds shown in the attached receipts and payments account are available for distribution.

9. Creditor claims

All known unsecured creditor claims have been reviewed, admitted, and paid by the Liquidators. Further information is available in the Liquidators' previous reports.

10. Statement of receipts and payments

A statement of receipts and payments for the Period is attached to this report.

11. Summary and estimated date of completion of liquidation

There are a number of steps we have to take to finalise the liquidations, which include:

- Filing all tax returns to the completion of the liquidation. Tax returns for FY22 have now been filed and final returns will be completed at the end of the liquidation.
- Obtaining clearance from the Inland Revenue Department, which will only be given once all tax returns have been submitted.
- Applying to the Court for required approvals. Relevant Court documents have been progressed and should be ready for filing soon.
- Ensuring that the intended recipients of all 'bounced' distributions have been identified and (where possible) contacted. A number of distributions remain unallocated from previous distributions.
- Paying over any unclaimed distributions to Public Trust (in accordance with the Companies Act 1993). This will be done at the end of the liquidation.
- Paying final distributions to shareholders.
- Dealing with our final statutory requirements.



The above steps are currently being progressed. We will update shareholders on the estimated date for final distributions once the relevant approvals have been obtained.

Once the above steps are complete, the Liquidators will be in a position to retire. We estimate this will be within the next six months, but the timing is subject to Court and IRD processes.

Should you have any queries regarding the liquidation of the Company, please do not hesitate to contact Matthew Gibson of this office.

Yours faithfully



Neale Jackson
Joint Liquidator



Statement of receipts and payments

Forestlands (No. 10) Limited (In Liquidation)

Statement of Liquidators' receipts and payments from 6 September 2022 to 5 March 2023

	\$
Opening balance	112,630
Receipts	
Interest received	1,161
Income tax refund	40
Total receipts	1,202
Payments	
Accountancy fees	600
Bank charges	3
Investor distributions	45
Legal costs	324
Liquidators' remuneration	7,042
Printing, postage and IT services	233
Resident withholding tax	3,330
Storage	31
Total payments	11,607
Net cashflow	(10,405)
Closing balance	102,225

Comprises of:

Funds held on Trust for incomplete shareholders and retentions	75,518
Cheque account	25,922
GST	785
Closing balance	102,225



Liquidators' remuneration report

Forestlands (No. 10) Limited (In Liquidation)

Time based charging report

For the period 6 September 2022 to 5 March 2023

Time costs by position and work type

	Hourly rate	General Admin		Shareholders		Reports		Tax/IRD related		Total	
		Hours	Charge	Hours	Charge	Hours	Charge	Hours	Charge	Hours	Charge
Partner	\$550	-	-	-	-	0.2	128	-	-	0.2	128
Senior Manager	\$435	1.0	419	1.0	419	2.6	1,152	0.3	127	4.9	2,117
Senior Analyst	\$250	1.0	254	1.0	254	-	-	-	-	2.0	508
Business Analyst	\$190	5.2	992	6.7	1,271	7.6	1,453	0.96	182	20.5	3,898
Support staff	\$90	1.5	135	2.0	183	0.8	72	-	-	4.3	390
Total		8.7	1,801	10.7	2,127	11.3	2,806	1.2	308	32.0	7,042

Disbursements: Disclosed in the Statement of receipts and payments account	Cost
Printing and postage	95
Record storage	31
Legal and Tax advice	324
IT services	138
Total	588

Detail of work completed	
General Administration	General case administration including strategy meetings, processing of day to day receipts and payments and general matters.
Shareholders	Matters related to the shareholder confirmation process, attending to shareholder queries, distributions to shareholders, completing reconciliations and dealing with bounced payments.
Reports	Compiling statutory reports to creditors, undertaking analysis, drafting of Court affidavits and any other reporting requirements.
Tax/IRD related	Income Tax and GST related matters including liaison with advisors and the IRD.