

Forestlands (No.17) Limited (In Liquidation) ('the Company') Company No. 2399509

4 October 2023 | 01141

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' 11th report. It covers the period 6 March 2023 to 5 September 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.calibrepartners.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

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

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	97	98
Missing information	3	2

- 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 approach taken was in the best interests of the shareholder group as a whole and ensured that we did not incur unnecessary costs.

5. Distributions to shareholders

As advised previously, 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 \$878 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. These charges covered:

- One representative charge of making a false statement under the Financial Reporting Act 1993, section 41 (false statement charge);
- Two representative charges of failing to deliver financial statements under the Financial Reporting Act 1993, sections 18 and 38(b); and
- One representative charge of failing to lodge financial statements under the Financial Markets Conduct Act 2013, section 461H.

On 20 July 2023, Mr Kearns was sentenced at Nelson District Court to:

- Four months' community detention; and
- 100 hours' community work.

This brings to an end the proceedings against Mr Kearns in respect of his actions in relation to the Forestlands Group.

8. Future distributions

We expect to pay a final distribution to shareholders towards the end of the liquidation, likely in the next six months and subject to our comments at section 11 below.

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 FY23 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.



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- Applying to the Court for required approvals. During the Period, we filed Court documents for the fee review process required by statute. The Court is currently dealing with this application.
 - 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. Following receipt of the necessary Court approvals, we will write to shareholders to provide an update on an estimated timing and amount of the final distribution. We do not intend to wait until our next report (due in April 2024) to confirm the position with shareholders. We will issue that update as soon as practicable.
 - 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 this office.

Yours faithfully



Neale Jackson
Joint Liquidator



Statement of receipts and payments

Forestlands (No.17) Limited (In Liquidation)

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

	\$
Opening balance	42,700
Receipts	
Income tax refund	439
Interest received	495
Total receipts	934
Payments	
Accountancy fees	300
Bank charges	3
Legal fees	81
Liquidators' remuneration	2,934
Printing, postage and IT services	116
Storage	37
Total payments	3,470
Net cashflow	(2,536)
Closing balance	40,164

Comprises of:

Funds held on Trust for incomplete shareholders and retentions	23,619
Cheque account	16,026
GST	519
Closing balance	40,164



Liquidators' remuneration report

Forestlands (No.17) Limited (In Liquidation)

Time based charging report

For the period 6 March 2023 to 5 September 2023

Time costs by position and work type

	Hourly rate	General Admin		Shareholders		Reports		Retirement		Tax/IRD related		Total	
		Hours	Charge	Hours	Charge	Hours	Charge	Hours	Charge	Hours	Charge	Hours	Charge
Partner	\$550	-	-	-	-	0.1	46	-	-	-	-	0.1	46
Executive Director, Director, Associate Director	\$485	0.3	154	-	-	1.3	606	0.7	340	0.3	129	2.5	1,229
Senior Manager	\$435	0.2	65	-	-	-	-	-	-	0.2	65	0.3	131
Senior Analyst	\$250	3.1	783	0.3	63	-	-	-	-	0.7	175	4.1	1,021
Business Analyst	\$190	-	-	-	-	0.5	95	0.8	146	-	-	1.3	241
Support staff	\$90	0.7	63	1.8	161	0.5	44	-	-	-	-	3.0	267
Total		4.3	1,065	2.0	223	2.3	791	1.5	485	1.1	370	11.2	2,934

Disbursements: Disclosed in the Statement of receipts and payments account	Cost
Printing and postage	70
Record storage	37
Legal/Tax advice	81
IT services	46
Total	233

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.
Retirement	All matters relating to the Liquidators retirement including applications to Court, analysis and additional reporting.
Tax/IRD related	Income Tax and GST related matters including liaison with advisors and the IRD.