



***Ex NZDL Limited (In Liquidation)***  
***(formerly New Zealand Dairies Limited)***  
***Liquidators' Final Report***

***Company number: 1812880***

***Introduction***

You will already be aware Ex NZDL Limited (formerly New Zealand Dairies Limited) ("the Company") was placed into liquidation by the High Court at Christchurch pursuant to section 241(2)(c) of the Companies Act 1993 (the "Act") on 16 October 2012 and Malcolm Grant Hollis and Maurice George Noone are the appointed joint and several liquidators of the Company.

***Restrictions***

This report has been prepared by us in accordance with and for the purpose of section 257 of the Act. It is prepared for the sole purpose of reporting on the state of affairs with respect to the Company in liquidation and the conduct of the liquidation.

This report is subject to the restrictions set out at Appendix A. In particular, all information contained in this report is provided in accordance with section 255 of the Act. Furthermore, in preparing this report we have relied upon and not independently verified or audited information or explanations provided to us.

***Conduct of Liquidation***

The company was placed into receivership on 17 May 2012. The receivers sold the milk powder processing plant at Studholme, South Canterbury and after payment of secured and preferential creditor's there was a surplus to remaining creditors.

Because of non-payment of amounts owed, an unsecured creditor made application to the High Court for the company to be placed into liquidation.

The Receivership of the company was completed in April 2014.

***Assets***

As at the date of liquidation the Company's assets consisted of cash held by the receivers, funds in a solicitor's trust account and an amount held in the High Court pending resolution of a claim from a purported secured creditor.

***Creditors with security interests***

There were several Financing Statements that remained registered on the Personal Property and Securities Register at the time of appointment of Liquidators. The Receiver advised that all creditors with a valid security interest had been dealt with at the time of the sale of the dairy plant.



There was one registration by Morgan Stanley Australia Limited. This security interest and the underlying claim were the subject of High Court proceedings. An amount of \$4m had been deposited to the High Court, to be held pending the outcome of the matter. The liquidators negotiated with and entered into a confidential settlement with Morgan Stanley Australia Limited.

#### *Preferential Creditors*

The receivers advised that all preferential creditors had been paid in full and no preferential claims remained to be settled during the liquidation.

#### *Unsecured Creditors*

The Receivers advised that there were unsecured creditor's claims totalling approximately \$18.4m. This included related party loans and the claim from Morgan Stanley Australia.

On 21 December 2012, we paid an interim distribution of 50 cents in the dollar to all creditors whose claims had been admitted at that time.

In May 2013 we paid a second interim distribution of 30 cents in the dollar to all unsecured creditors whose claims had been admitted at that time.

We worked with a number of creditors to receive the last documentary evidence and responses to our queries to support their claims. All of the claims from these "trade creditors" were duly admitted, and the interim distribution of 80 cents in the dollar was paid to them as their claims were admitted.

There were large claims from three related party creditors. The combined total value of these three claims was in excess of NZ\$9.8m. As such, the acceptance or otherwise of these claims would have a material impact on the final outcome to all creditors in the liquidation.

The liquidators reached agreement in respect of two of these claims, and Deeds of Settlement were entered into. However the third related party claim related to a loan made to the Company for which we received a claim from two parties seeking repayment of the loan.

We filed documents with the High Court seeking Directions as to which party was the correct party owed the amount. There was a delay with serving the documents on the other parties, as both parties are non-resident in New Zealand. We received an order from the High Court to allow substituted service by way of electronic means. There were some delays in service, and it was appropriate that the defendant party be allowed time to file a defence.

The first hearing was held 1 May 2014 at which we filed a Memorandum requesting that the matter be deferred. The matter was then adjourned until 12 June 2014. An order was made that the unsecured creditor's claim of Rengsdorf Limited should be accepted for the amount of NZD\$3,458,877.10 including interest. We then attended to the interim distribution of 80 cents in the dollar to the Rengsdorf Limited New Zealand based solicitor's trust account.

The liquidators have now paid a final distribution of 7.8cents in the dollar, bringing total distributions to all unsecured creditors in this liquidation to 87.8 cents in the dollar.

This finalised all matters associated with all creditor's claims. Creditors should note that the final distribution has been paid, and the balance remaining as owed to them should be written off and treated as a bad debt.



### *Financial Statements*

The most recent signed financial statements we sighted were for the period ended 31 May 2009, although there was regular monthly management accounts, cash flows and budgets prepared for the purposes of board reporting.

### *Employees*

At the date of the appointment of liquidators, the company had no remaining employees.

The receivers had paid employee preferential claims and most employees had a remaining outstanding unsecured creditors claim in the liquidation, for which they have now received the 87.8cents in the dollar distribution.

### ***Liquidators' fees***

The liquidators' fees are \$229,616 for the period of the liquidation. These fees relate to time spent on the following activities:

- Initial investigation and information gathering, including meeting with the Receivers.

- Reviewing the claim of Morgan Stanley Australia Limited, discussions with our solicitors, preparing legal briefs, considering arguments and financial outcomes and settlement discussions.

- Recording and reviewing creditors' claims, writing to all creditors, correspondence with various creditors regarding their claims and following up with numerous creditors for documentary evidence of the amounts owed to them.

- Detailed work associated with investigating claims of the three related parties, including reaching agreement with two of the parties and preparation of the necessary Deeds of Settlement.

- All matters associated with the application to the High Court for directions in relation to claim from the third related party, including receiving Memorandum from the Court as to Substituted Service and copies of Affidavit from one party. Receive sealed Court Order as to directions, calculate and pay unsecured creditors claim to Rengsdorf Limited.

- Admitting creditors' claims, calculating and paying four distributions to unsecured creditors, including attending to necessary PAYE forms in relation to payments to former employees.

- Preparation of liquidator's six month statutory reports including Statement of Realisations and Distributions. Filing same with Registrar of Companies and attend to mail out to all creditors.

- Preparation of GST returns, lodge same with Inland Revenue Department .

- Attend to general cashbook maintenance and associated bank reconciliations during the period of the liquidation.

Please note this list is not exhaustive.

In accordance with Section 284(1)(e) of the Act the liquidators have sought approval from the High Court for the fixing of fees. The Order approving our fees was issued by the Court on 18 August 2015. All areas of recovery have been explored and dealt with, thus enabling the completion of this administration.



### ***Statement of Realisation and Distribution***

Attached as Appendix B, is a Statement of Realisation and Distribution for the period of the liquidation.

### ***Liquidators' Statement***

In accordance with section 257(1) of the Act we state that:

- a) All known assets have been disclaimed, or realised, or distributed without realisation.
- b) All proceeds of realisation have been distributed.
- c) The Company is ready to be removed from the New Zealand Register of Companies.

### ***Removal from New Zealand Register of Companies***

As liquidators, we are obliged to give public notice of our intention to have the Company removed from the Register of Companies. Attached is a copy of our notice of intention to remove the Company from the Register of Companies.

The attention of all creditors and shareholders is drawn to section 321 of the Act which provides that, where public notice is given of an intention to remove a Company from the Register, any person may send or deliver to the Registrar, not later than the date specified in the notice, an objection to the removal on any one or more of the following grounds:

- a) That the Company is still carrying on business or there is other reason for it to continue in existence; or
- b) That the Company is a party to legal proceedings; or
- c) That the Company is in receivership, or liquidation, or both; or
- d) That the person is a creditor, or a shareholder, or a person who has an undischarged claim against the Company; or
- e) That the person believes that there exists, and intends to pursue, a right of action on behalf of the Company under Part IX of this Act; or
- f) That, for any other reason, it would not be just and equitable to remove the Company from the New Zealand Register.

Creditors and shareholders should be aware of section 321(2)(b)(ii) of the Act which provides that a claim by a shareholder or any other person against a Company is not an "undischarged claim" if a receiver or liquidator has notified the shareholder or that person that the Company has no surplus assets.



If you wish to object to the removal from the Register you must deliver a written objection to the Registrar of Companies no later than 2 October 2015.

Please contact Wendy Somerville on (03) 374 3027 should you require any further information.

Dated: 1 September 2015

A handwritten signature in blue ink, appearing to read 'M.G. Hollis', with a long horizontal flourish extending to the right.

Malcolm Grant Hollis  
Liquidator



## ***Appendix A***

### ***Restrictions***

All information contained in this report is provided in accordance with section 255 of the Act.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.

We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit in respect of the Company. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this Report.

The statements and opinions expressed in this Report are based on information available as at the date of the Report.

We reserve the right, but will be under no obligation, to review or amend our Report, if any additional information, which was in existence on the date of this Report was not brought to our attention, or subsequently comes to light.

In addition the following should be noted:

- Certain numbers included in tables throughout this report have been rounded and therefore do not add exactly.
- Unless otherwise stated all amounts are stated in New Zealand dollars.



**Appendix B**  
**Ex NZDL Limited (In Liquidation)**  
**(formerly New Zealand Dairies Limited)**

**Statement of Realisation and Distribution**  
**For the period of the liquidation**

	\$	\$
<b>Receipts</b>		
GST refunds	50,017	
Interest	387,030	
Funds from receivers	11,459,213	
Funds from Court	4,006,542	
Farmlands - voting share capital	785	
Farmlands - credit balance	337	
Sale of assets	174	
GST on receipts	26	
Total Receipts		<u>15,904,124</u>
<b>Payments</b>		
Liquidators' fees	229,616	
Legal fees	121,745	
Filing fees	174	
Distribution to Unsecured Creditors	15,501,194	
Petitioning creditor costs	3,109	
Outsourced mail/printing services	550	
Cheque cancellation fee	22	
GST on payments	47,715	
Total Payments		<u>15,904,124</u>
Cash at Bank		<u>Nil</u>



***Ex NZDL Limited (In Liquidation)  
(formerly New Zealand Dairies Limited)***

***Notice of Intention to Remove Company from Register  
(Pursuant to Section 320 of the Companies Act 1993)***

We, Malcolm Grant Hollis and Maurice George Noone, Liquidators of Ex NZDL Limited (formerly New Zealand Dairies Limited), hereby give notice that pursuant to section 318(1)(e) of the Companies Act 1993, and having filed with the Registrar our final report on the liquidation, it is intended to remove the Company from the New Zealand register.

Any objections to the removal pursuant to section 321 of the Companies Act 1993 must be delivered to the Registrar no later than 2 October 2015.

Dated: 1 September 2015

A handwritten signature in blue ink, appearing to read 'M.G. Hollis', with a horizontal line extending to the right.

Malcolm Grant Hollis  
Liquidator