



Ex NZDL Limited (In Receivership and In Liquidation) (formerly New Zealand Dairies Limited)

Liquidators' First Six Monthly Report

Company number: 1812880

Introduction

As you are aware Ex NZDL Limited (In Receivership) (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.

The Company was previously placed into receivership on 17 May 2012.

This report covers the period 16 October 2013 to 16 April 2013.

Restrictions

This report has been prepared by us in accordance with and for the purpose of section 255 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 the liquidation in the preceding six months

We set out below a review of matters dealt with since our last report:

Asset realisations

At the time of our last report, \$4m was held in the High Court relating to a dispute between the Company and Morgan Stanley Australia Limited. Following that report, negotiations took place and the liquidators entered into a confidential settlement with Morgan Stanley Australia Limited. We are not able to provide any further details of the settlement other than to state that the settlement was in the best interests of all creditors.



Books and records

The receivers are continuing to fulfil their duties and as such they retain the vast majority of Company records. The receivers have provided us with information that we have requested. In particular, they have provided us with information surrounding the claims they received from unsecured creditors of the Company and the distributions they paid to preferential creditors.

Interim distribution

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. This amounted to the sum of \$3,443,031.

We are continuing to review creditors' claims, and in particular the claims of the larger related party creditors whose claims we have not admitted. We intend to pay a further distribution to admitted creditors in the coming weeks. It should be noted that the amount each admitted creditor receives from this distribution will be less than they received in the previous distribution.

Statement of realisation and distribution

Attached as Appendix B is a Statement of Realisations and Distributions for the period of the liquidation.

Liquidators' fees

The liquidators' fees are \$70,000 for the period of the liquidation. These fees relate to time spent on the following activities:

- initial investigation and information gathering
- reviewing the claim of Morgan Stanley Australia Limited, discussions with our solicitors, preparing legal briefs, considering arguments and financial outcomes, settlement discussions
- Recording and reviewing creditors' claims, writing to all creditors, correspondence with various creditors regarding their claims and the progress of the liquidation
- Work associated with investigating claims from related parties
- Admitting creditors' claims and preparing the interim dividend and arranging payment of creditors
- Various discussions with the receivers on matters pertaining to the liquidation
- Reporting to creditors
- General investigation and administration.

Note this list is not exhaustive.

Please note section 284 of the Act below which states;



284 Court supervision of liquidation

- (1) On the application of the liquidator, a liquidation committee, or, with the leave of the Court, a creditor, shareholder, other entitled person, or director of a company in liquidation, the Court may—
 - (e) In respect of any period, review or fix the remuneration of the liquidator at a level which is reasonable in the circumstances:

Proposals for completing the liquidation

At this stage, it is not practicable to provide an estimate of when the liquidation may be completed.

A further report will be issued in six months unless this administration is completed prior to that time in which case a final report will be issued.

Contact details

If you have any queries or any information regarding this liquidation, please contact Wendy Somerville on (03) 374 3027.

Dated: 15 May 2013

A handwritten signature in blue ink, appearing to read "MH", followed by a horizontal line.

Malcolm Hollis
Liquidator



Appendix A

Restrictions

All information contained in this report is provided in accordance with section 255 of the Companies Act 1993.

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

Statement of Realisation and Distribution For the period 16 October 2012 to 16 April 2013

	\$	\$
Opening Funds		Nil
Receipts		
Funds received from Court	4,006,542	
Funds from Receivers	11,458,930	
Interest received	126,921	
		<hr/> 15,592,392
Payments		
Interim distribution to unsecured creditors	3,439,923	
GST	35,889	
Liquidators' fees	70,000	
Legal fees	77,199	
Applicant creditors costs	3,109	
Outsourced mail and printing services	550	
		<hr/> 3,626,669
Closing funds		<hr/> <u>11,965,724</u>