



Receivers' First Report for

Karapiro Corporate Trustees Limited, Du Val IP Holdings Limited, Du Val Prop Tech Limited, Coastway Limited (formerly Du Val Wealth Limited) and Du Val Connect Limited Partnership (All in Receivership) (together the "Group")

Pursuant to Sections 23 of the Receiverships Act 1993 (the "Act")

Company Number / Limited Partnership Registration Number: 4370098, 8141353, 8189428, 5786908, 2630831

New Zealand Business Number: 9429030296411, 9429048802635, 9429049347012, 9429041945407, 9429043297269

Introduction

We, John Howard Ross Fisk (Licence Number: IP18), Stephen Robert White (Licence Number: IP137) and Lara Maree Bennett (Licence Number: IP63), Licensed Insolvency Practitioners (NZ), were appointed as joint and several receivers and managers of the companies and limited partnerships listed at Appendix A effective from 2 August 2024 at 5.50am by order of the High Court at Hamilton pursuant to sections 522 and 523 of the Financial Markets Conduct Act 2013 ("FMCA").

The Court orders required the receivers to report to the Court within 10 working days of their appointment, outlining, among other things, their opinion as to whether any alternative form of administration is appropriate for the Group. The receivers' report was filed with the Court in that timeframe, on 16 August 2024.

Following consideration of the receivers' report, the Financial Markets Authority ("FMA") made a recommendation for various Du Val companies and limited partnerships to become subject to statutory management under section 38 of the Corporations (Investigation and Management) Act 1989 ("CIMA"), but for the entities addressed in this report to remain in receivership (and not become subject to statutory management).

Restrictions

This report has been prepared by us in accordance with and for the purpose of section 23 of the Act. 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. This report is subject to the restrictions set out at Appendix B. In particular, all information contained in this report is provided in accordance with sections 26 and 27 of the Act. Furthermore, in preparing this report we have relied upon and not independently verified or audited information or explanations provided to us.

References to any Group entities within this report listed at Appendix A should be taken as being subject to receivership.

Events leading to our appointment

The appointment of receivers and managers over various Du Val entities, including the entities covered by this report, was initiated as part of asset preservation orders applied for by the FMA and obtained on 1 August 2024 under sections 522 and 523 of the FMCA.

The effect of the appointment was that we assumed control, and were given the various powers to manage the affairs and assets of a number of entities within the Du Val group.

Overview of the Group entities in receivership

We include below a brief overview of the background of the Group entities that remain in receivership and to which this report relates:

- **Karapiro Corporate Trustees Limited** ("Karapiro Corporate Trustees") is a co-trustee of the JK & CM Clarke Trust (the "Clarke Trust"), which has a 100% shareholding in Du Val IP Holdings Limited ("Du Val IP") and Coastway Limited (formerly Du Val Wealth Limited) ("Coastway").

- **Du Val IP Holdings Limited** operated under the 'Investment - patents and copyrights' industry classification according to business records. We have not been provided financial records relating to this company and do not believe it was operational at the date of receivership. Du Val IP is the 100% shareholder of Du Val Prop Tech Limited ("Du Val PT").
- **Coastway Limited (formerly Du Val Wealth Limited)** was initially incorporated as Du Val Financial Services Limited in August 2015, then became Du Val Wealth Limited shortly after, before changing its name again to Coastway Limited in April 2024. We have not been provided financial records relating to this company and do not believe it was operational at the date of receivership. Coastway is the General Partner of Du Val Connect Limited Partnership ("Du Val Connect").
- **Du Val Prop Tech Limited** operated under the 'Policy or business analyst' industry classification according to business records. We have been provided access to Xero records for this company, but are not aware of any operational activity as at the date of our appointment.
- **Du Val Connect Limited Partnership** was initially registered as Du Val Financial Services Limited Partnership in August 2015 before becoming Du Val Connect Limited Partnership in January 2020. We have been provided access to Xero records for this entity, but are not aware of any operational activity as at the date of our appointment.

Work undertaken by the receivers

During the receivership period from 2 August 2024 to the date of this report, the receivers undertook various actions, including:

- Advertised the appointment in the Gazette and New Zealand Herald
- Notified the Registrar of Companies so that the Companies Register and Limited Partnerships Register could be updated as necessary
- Met with and briefed staff and management employed by Du Val Property Group Limited (subject to statutory management) to understand and assess the current position of the Group entities in this report
- Wrote to all New Zealand banks that may have operated accounts in the names of the Group entities
- Requested all funds held in these accounts be frozen and swept to the receivers' trust account
- Carried out investigations into the Group entities' operations and financial positions
- Conducted searches of the Personal Property Securities Register to determine whether any securities were held against the entities in receivership
- Secured all relevant records and accessed relevant Xero accounting records where applicable
- Responded to stakeholder queries in respect of the receivership
- Prepared the Court report, including making recommendations in respect of the Group entities, in addition to other Du Val entities.

Particulars of assets and liabilities

The table below summarises the reported assets and liabilities of Du Val Connect and Du Val PT as at the date of our appointment. This has been prepared from accounting records obtained from Xero and information supplied to us by management. Karapiro Corporate Trustees, Du Val IP and Coastway did not hold any such records, and we have not been made aware of any assets or liabilities relating to these entities. We note we have not carried out anything in the nature of an audit and that all reported figures are book values as at the date of our appointment.

Table 1 - Particulars of assets and liabilities

Net Book Value as at 2 August 2024 (\$'000)	Du Val Connect Limited Partnership	Du Val Prop Tech Limited
Assets		
Current assets		
Funds on hand at appointment	-	17
Other current assets	-	11
Intercompany advances	495	-
Non-current assets		
Software	-	14
Fixed assets		
Other fixed assets	2	-
Total assets	497	42
Liabilities		
Current liabilities		
Accounts payable	-	311
Intercompany advances	-	261
Non-current liabilities		
Intercompany loans	-	266
Total liabilities	0	838
Net Assets	497	(796)

Table 3 - Particulars of liabilities (secured and preferential creditors)

Du Val Group entities As at 2 August 2024	Note	\$
Registered securities	1	Nil
Preferential creditors:		
- Employees	2	Nil
- Inland Revenue	3	Nil

Notes to Table:

1. Registered securities

At the time of our appointment, there were no financing statements registered against the Group entities covered in this report.

2. Preferential Creditors:

- *Employees* - The Group entities did not employ any staff as at the date of our appointment.
- *Inland Revenue* - Inland Revenue Department has confirmed that there is no outstanding debt, and therefore no preferential claim in relation to GST, PAYE or other payroll deductions.



Claims received from unsecured creditors other than preferential creditors

We hold no record of any claims received via unsecured creditor confirmations for these Group entities up to the date of this report. The receivers note that Xero records indicated \$310,650 of accounts payable at the date of our appointment.

Contact details

You can contact us at PwC Auckland, Private Bag 92162, Victoria Street West, Auckland 1142, or by email at nz_duval@pwc.com.

Date: 2 October 2024

A handwritten signature in black ink, appearing to read 'John Fisk'.

John Howard Ross Fisk
Receiver and Manager

A handwritten signature in black ink, appearing to read 'Stephen White'.

Stephen Robert White
Receiver and Manager

A handwritten signature in blue ink, appearing to read 'Lara Bennett'.

Lara Maree Bennett
Receiver and Manager



Appendix A

Companies and limited partnerships in receivership

Karapiro Corporate Trustees Limited
Du Val IP Holdings Limited
Du Val Prop Tech Limited
Coastway Limited (formerly Du Val Wealth Limited)
Du Val Connect Limited Partnership



Appendix B

Restrictions

All information contained in this report is provided in accordance with sections 26 and 27 of the Receiverships 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 Du Val Group. 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.

We have relied on forecasts and assumptions prepared by the Du Val Group about future events which, by their nature, are not able to be independently verified. Inevitably, some assumptions may not materialise and unanticipated events and circumstances are likely to occur. Therefore, actual results in the future will vary from the forecasts upon which we have relied. These variations may be material.

In addition, the following should be noted:

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