

## F P Holdings Limited (In Receivership)

### Receiver's Seventh Report

Pursuant to Section 24 of the Receiverships Act 1993

12 May 2011

This report has been prepared on the basis of limitations set out on page 2.

## Contents

<b>1. Introduction.....</b>	<b>3</b>
<b>2. Statutory information .....</b>	<b>3</b>
<b>3. Events leading up to appointment of receiver.....</b>	<b>4</b>
<b>4. Property disposed of since previous report.....</b>	<b>4</b>
<b>5. Proposals for disposal of receivership property .....</b>	<b>4</b>
<b>6. Secured creditors.....</b>	<b>5</b>
<b>7. Preferential creditors .....</b>	<b>5</b>
<b>8. Unsecured creditors .....</b>	<b>6</b>
<b>9. Estimated statement of position.....</b>	<b>6</b>
<b>10. Statement of receipts &amp; payments.....</b>	<b>6</b>

## Glossary

<b>The Company</b>	FP Holdings Limited (In Receivership)
<b>F P Holdings</b>	FP Holdings Limited (In Receivership)
<b>Fairview New Zealand</b>	Fairview New Zealand Limited (In Receivership)
<b>Cymbis New Zealand</b>	Cymbis New Zealand Limited
<b>OPI Pacific</b>	OPI Pacific Finance Limited

## Important Notice

The information required to complete this report was provided by the directors and employees of the Company and obtained from Company records. Values are based on book values from the financial statements and accounting records prepared by Company personnel.

We have relied on the information provided by the directors and employees of the Company and on Company records in preparing this report.

We take no responsibility for any incorrect information contained in this report that has been supplied by the company, its officers or other persons. This is a report prepared by the receiver in terms of section 23 of the Receiverships Act 1993. This report is not to be reproduced or used for any other purpose without our prior written consent in each case. We do not accept any liability whatsoever to any party from any use of, or reliance on, this report.

Any realisation projections, time taken to complete realisations and related costs were all subject to uncertainty at the time that these projections were prepared. We express no opinion on the likelihood of any projections being achieved. Financial projections are based on assumptions and estimates of future events which cannot be estimated with any certainty. Actual results are likely to be different from projections and the variations could be material since anticipated events frequently do not occur as expected.

In accordance with standard practice neither Deloitte, the receiver, nor any member or employee of Deloitte, undertakes responsibility arising in any way whatsoever to any person in respect of realisation projections, the related commentary on options available to the receivership, any estimate of outcome for creditors, or any other report content including any errors or omissions herein arising through negligence or otherwise however caused.

## 1. Introduction

FP Holdings was placed into receivership by Perpetual Trust on 12 May 2008 pursuant to the terms of a Debt Assumption Deed dated 14 December 2007.

R G Pardington of Deloitte was appointed receiver of the Company's Secured Property. The report on the state of the Company's affairs in accordance with section 24 of the Receiverships Act 1993 is set out below.

## 2. Statutory information

Statutory and other information relating to the Company is summarised below:

<b>Date of incorporation</b>	21 September 2006
<b>Company number</b>	1859168
<b>Nature of business</b>	Finance company
<b>Registered office</b>	C/- Deloitte 80 Queen Street Auckland 1010
<b>Trading address</b>	Not trading
<b>Issued share capital and shareholders</b>	Octaviar NZ Holdings Pty Limited, 1,392 Shares FP Treasury Limited, 1,390 Shares
<b>Director</b>	Jason Robert Duncan Maywald – resigned 17-6-09

### 3. Events leading up to appointment of receiver

F P Holdings is part of the MFS group of financial services and investment companies. In December 2007 it purchased the assets and assumed the debentureholder payment liabilities of Cymbis New Zealand (one of the Capital + Merchant Finance group of companies), when that company was unable to continue to operate. FP Holdings attempted to continue trading but was ultimately unable realise sufficient assets to meet debenture maturities as they fell due. Both companies were consequently placed into receivership. Cymbis New Zealand was renamed Fairview New Zealand prior to receivership.

### 4. Property disposed of since previous report

\$20,075 received from OPI Pacific investment.

### 5. Proposals for disposal of receivership property

The OPI Pacific moratorium has been terminated as OPI Pacific was placed into receivership in September 2009 and investment repayments have been suspended pending realisation of assets. The receivers have advised that it is unlikely that material recoveries will result from receivership security property and that it is not possible at this stage to estimate whether there may be recoveries from claims against third parties or claims in the liquidations of related companies.

Our previous reports have advised that both properties securing the two FP Holdings loans in default have been sold. The forestry loan borrower has commenced legal proceedings against FP Holdings and Fairview New Zealand to enforce a claim that part of the loan advances by Cymbis New Zealand totalling \$560,000 were not authorised. The legal proceedings are being defended.

#### *Loan insurance*

The loan insurance policies covered losses of principal only. Sale of the forest block recovered principal in full. An insurance claim was submitted for the insured loss of \$3.35m on the development block loan. The insurers have already advised that cover for this loan has been denied on the grounds that at the time the loan was originated the property valuer did not hold professional indemnity insurance which was a requirement of the insurance policy. The valuer is in liquidation and the liquidators have confirmed the lack of professional indemnity cover despite the valuer's representation to the contrary in the valuation report. Our solicitors have challenged the insurers' denial of cover. The insurers remain very clear in their denial of cover. This issue is to be resolved.

*GST*

FP is a finance company which therefore necessitates GST rates that have been agreed with the IRD prior to the filing of receivership GST returns. No agreement had been obtained by FP prior to the receivership. An IRD ruling regarding the commencement of the post receivership GST claim period has been obtained but agreement of rates had been deferred pending the outcome of a similar application in relation to another receivership under our administration. The application for the agreed GST rates is now being prepared. It is estimated that FP will be in a net GST refund position following the filing of the GST returns.

## 6. Secured creditors

### 6.1. Amount owed to holder of General Security Agreement (appointer)

The appointer's General Security Agreement (registered 14 December 2007) secures the amounts owed on trust under a Debt Assumption Deed to the secured debentureholders (\$6.96m plus interest as at May 2008). The appointer's name and address details are: Perpetual Trust Limited, P O Box 3376, Shortland Street, Auckland.

### 6.2. Amount owed to holders of other General Security Agreements

There are no other registered General Security Agreements.

### 6.3. Amount owed to other secured creditors

The amount due to secured debentureholders is \$6,961,630 as at May 2008 (plus accrued interest), as per company records (see 6.1 above).

## 7. Preferential creditors

Company records do not record any amounts owed to preferential creditors. One preferential claim has been received to date.

## 8. Unsecured creditors

There is insufficient information available to provide an accurate estimate of amounts owed to unsecured creditors.

## 9. Estimated statement of position

A first distribution of approximately 35 cents in the dollar to Enhanced Debentureholders and 3 cents in the dollar to Standard Debentureholders has been released. Any further distributions will depend upon the receipt of any further funds from OPI Pacific and the outcome of the forestry loan litigation. The amount of further distributions is influenced by each of the above and cannot be estimated at this point.

## 10. Statement of receipts & payments

A statement of receipts and payments is attached.

DATED 12 May 2011

**R G Pardington**  
**Receiver**

**FP Holdings Limited (In Receivership)****Statement of Receipts and Payments**

For the period 12 November 2010 to 12 May 2011

	\$
<b>Balance brought forward</b>	822,777
<b>Receipts</b>	
Opening cash balance	-
OPI Pacific investment	20,075
Security properties	-
GST on receipts	-
GST Refunds	-
Interest	13,922
Pre-receivership GST refund	-
<b>Total</b>	<hr/> 33,997
<b>Payments</b>	
Debenture holder register administration	1,598
Loan insurance	-
Assets insurance	-
Legal fees	24,749
Receiver's fees	41,758
Trustee fees	6,250
Marketing	-
Rates	-
Real estate fees	-
Report processing fees	-
Sundry expenses	-
Debentureholders – 1 <sup>st</sup> distribution	-
GST on payments	11,000
GST paid	-
Resident Withholding Tax	4,177
<b>Total</b>	<hr/> 89,532
<b>Net Cash on Hand</b>	<hr/> <hr/> \$767,242