

Viaduct Capital Limited (In Receivership)

Receivers' Eighth Report

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Iain McLennan, Insolvency Practitioners, of Auckland, were appointed jointly and severally as receivers and managers of all the assets, property and undertakings of the company on 13 May 2010 by Prince & Partners Trustee Company Limited.

Pursuant to section 24 of the Receiverships Act 1993, the receivers report herewith on the progress of the receivership. This eighth report should be read in conjunction with the receivers prior reports.

A statement of realisations and distributions is **attached**.

2 RESTRICTIONS

This report has been prepared in accordance with Section 24 of the Act. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 CONDUCT OF THE RECEIVERSHIP DURING THE PRECEDING SIX MONTHS

The appointment arose following a request from the directors to the Trustee to have the company placed into receivership. The directors had assessed that a default under the Trust Deed was about to occur.

Asset Realisations

Where possible, we have acted to be more directly involved with the secured assets. We have realised funds from two small securities, however, as most of the loans are likely to rank behind other lenders, we assess that on many of those loans there will be little or no direct recovery given the state of the secured assets and economic conditions.

Debtors have been pursued, most are in liquidation, receivership and we are pursuing disputed amounts, and indemnifiers.

We have concluded the pre receivership GST and income tax/RWT position with the IRD and have received the refunds that the company is entitled to.

We have concluded the restructuring of some loans held in common with one receivership for the benefit of both receiverships and to protect the interests of Viaduct depositors. This is expected to lead to further significant recoveries.

4 PROPOSALS FOR DISPOSAL OF RECEIVERSHIP PROPERTY

Future realisations depend almost entirely on the ability of prior chargeholders to realise their security at a price sufficient to not only repay themselves, but to also produce a surplus. We have concluded pursuing indemnifiers of several loans on which the company has suffered a shortfall on realisation, and we have reached delayed settlement with those indemnifiers which will lead to recoveries being made in the future.

We also continue to pursue lines of recovery to proceeds from security sharing deeds which we say were not valid.

5 CREDITORS' CLAIMS

5.1 Secured Creditor

The secured creditor was Prince & Partners Trustee Company Limited, Level 9, 50 Anzac Ave, Auckland, secured by way of a Trust Deed dated 6 October 2006 and a GSA dated 15 August 2005, which GSA was held in trust for all depositors.

The Trustee however has not been granted a licence by the FMA to act as Trustee. We are working with the FMA and with the former Trustee to appoint a new Trustee. Until that happens, despite not being licensed, the former Trustee remains in place.

There are 17 secured depositors who have advanced funds totalling \$7,835,501.30 as follows:

Pre 20 April 2009	1	\$7,320,046
Post 20 April 2009	16	\$515,455
		<hr/>
Total Secured		\$7,835,501

These amounts include any accrued capitalised interest as at the date of receivership.

Approximately 95% by value of the company's investors qualified for repayment under the Crown's Retail Deposit Guarantee Scheme. Accordingly the Crown is now the sole depositor for the funds owed to depositors who invested prior to 20 April 2009.

The Post 20 April 2009 depositors will have funds repaid to them as realisations of loans occur, *pari passu* with the claims of the Crown under the Retail Deposit Guarantee Scheme.

We estimate that depositors could receive approximately 20 to 27 cents in the dollar however this depends significantly on the recovery of one large loan.

5.2 *Preferential Creditors*

As at the date of receivership preferential creditors for the following:

Resident Withholding Tax (RWT)	\$1,280
Non Resident Withholding Tax (RWT)	\$50
Employee Deductions	\$184
	<hr/>
Total Preferential Creditors	\$1,514

At this time no payments have been made to preferential creditors.

5.3 *Unsecured Creditors*

To date, we have received unsecured claims totalling \$52,824. The Receivers are not responsible for the administration of unsecured creditors' claims, however, it appears unlikely that there will be surplus funds available for unsecured creditors.

6 MATTERS DELAYING THE COMPLETION OF THE RECEIVERSHIP

The following matters are outstanding:

- Final asset realisation and distribution to secured creditors.

7 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the receivership.

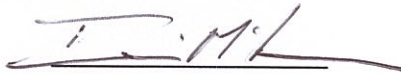
8 CONTACT DETAILS

Enquiries should be directed to Iain McLennan on (09) 303 9512 or by email to imclennan@mvp.co.nz.

The Receivers can be contacted at:

McDonald Vague
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141



IAIN McLENNAN
RECEIVER

DATED this 18 day of November 2013

Realisations and Distributions

Viaduct Capital Limited (In Receivership) 13 May 2010 to 12 November 2013

Realisations	As per Statement Of Affairs \$	Cash Received \$
Bank Account	57,526	57,526
Debtors	30,000	3,593
GST	102,055	94,737
Prepayments	4,645	4,932
Security Realisations	2,380,000	112,057
Recovery of Loan Costs Paid	-	22,939
Income Tax Refund	-	12,795
RWT Refund	-	14,320
Interest	-	728
Total Realisations	\$2,574,226	\$323,627
Payments		
Receivers Fees		
Receivers Fees		224,416
Disbursements		2,430
Total Receivers Fees		\$226,846
Other Costs of Receivership and Trading On		
Legal Fees		65,333
Bank Fees		177
Loan Related Payments		24,955
GST not recoverable		6,285
Total Costs of Receivership and Trading On		\$96,750
Total Payments		\$323,596
BALANCE HELD		\$31