

Southern Hemisphere Land and Property Investments Limited (In Liquidation)

Liquidators' Third Report For the period from 17 June 2015 to 16 December 2015

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Southern Hemisphere Land and Property Investments Limited ("the company") on 17 December 2014 by the High Court at Auckland.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This third report should be read in conjunction with the liquidators' previous report. This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is not attached, there having been no realisations or distributions to date.

2 RESTRICTIONS

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 LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Sale of Property

(First Report: \$1,500,000)

The property at 12b Waiatarua Road, Remuera, Auckland settled on 18 December 2014. The proceeds were paid to the respective mortgagees in their respective priority ranking. There were not enough funds from the sale to settle all the mortgagees in full, leaving no equity available for the company.

4 INVESTIGATIONS

The liquidators have commenced their investigations into the books, records and affairs of the company. At this stage there are no matters that have come to the knowledge of the liquidators that could eventuate in a benefit to creditors.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

Secured claims have not yet been received from the various General Security Agreement holders, although the liquidators are aware there is approximately \$240,000 due to Cashflow Funding Limited. Interest will continue to accrue on this amount.

5.2 *Preferential Creditors*

No preferential claims have been received at the date of this report.

5.3 *Unsecured Creditors*

At the date of preparing this report, no unsecured creditors claim forms have been received.

6 LIQUIDATORS' FEES

Unpaid liquidators' fees to the date of this report are (\$10,541 excluding GST). The fees are based on 33.7 hours of work undertaken as follows:

Work Category	Hours	\$
Appointment functions	17.1	3,565
Asset realisations	10.4	4,160
Creditors' claims, enquiries and reports	0.1	15
Management	4.6	408
Taxation and Investigations	0.3	45
Finalisations	1.2	180
Disbursements		2,168
Total	33.7	\$10,541

Liquidators' fees in a Court ordered liquidation are to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

7 FUNDS / LIKELY OUTCOME

There is a short fall on the amount due to the mortgagees and general security holder. Therefore the liquidator does not anticipate paying a distribution to other creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Completion of investigation into the books and records of the company
- Completion of the liquidation

9 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators within the next two months.

10 CONTACT DETAILS

Enquiries should be directed to Daniel Zhang on DDI (09) 306 3356 or by email to dzhang@mvp.co.nz.

The Liquidators can be contacted at:

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BORIS VAN DELDEN
LIQUIDATOR

DATED this 25th day of January 2016