



CHRIS HORTON
ASSOCIATES

Link Warranties Limited (In Liquidation)

Company No: 2202337

Liquidator's Third Report

Pursuant to Section 255 of the Companies Act 1993

16 May 2012

Chris Horton Associates Limited
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Introduction:

Christopher Robert Ross Horton was appointed Liquidator of Link Warranties Limited (In Liquidation) ('the Company') by Special Resolution of the shareholders on 11th April 2011 at 3.50pm.

Prior to the appointment the liquidator made the necessary enquiries and formed the view that there was no restriction from acting as liquidator under section 280 of the Act.

This report should be read in conjunction with the Liquidator's prior reports.

Disclaimer:

This report has been prepared in accordance with and for the purpose of section 255 of the Act, relying on information supplied by the Company directors, shareholders and other parties. This report is not to be reproduced or used for any other purpose without the prior written consent of the liquidator.

It has been prepared in good faith and on the basis that all information provided is true and accurate in all material respects.

We have not independently verified the accuracy of the information provided and no audit has been undertaken. Accordingly we are unable to comment on the completeness or accuracy of the contents of this report, and cannot therefore accept any responsibility to any party whatsoever for any reliance placed on it. We reserve the right but will be under no obligation to review and if necessary amend the contents of this report should further information come to light that was unknown or was not disclosed to the liquidator as at the date of its preparation.

Conduct of the Liquidation:***Debtors:***

Recovery action is continuing to recover money being held in trust for the Company from the sale of warranty policies by several motor vehicle dealers. Considerable time has been afforded to investigating disputes and negotiating payments, however of the original \$69,445 owing at the date of liquidation, \$37,585 remains outstanding. It remains the firm view of the liquidator and his legal advisors that these are trust funds and are the property of the Company. Where economic, legal action is continuing.

Voidable Payments:

Legal action has commenced to recover payments identified as voidable transactions under Section 292 of the Companies Act 1993. To date a total of \$11,644.57 plus GST has been recovered from these actions. Further voidable transactions totalling \$76,093 have been identified and again, where economic, the pursuit of these funds through legal action is continuing.

Assets:

Recovery and sale of company assets is largely complete.

Secured Creditors:

Security registrations on the Personal Property Securities Register at the date of liquidation have been assessed and where applicable secured creditors have been repaid from the sale of assets subject to security.

Unsecured Creditors:

All creditors and policy holders have been contacted at their last known address to advise of the liquidation and to lodge claims for their unsecured debt. This numbers approximately 2300.

Credit notes have also been provided to all policy holders. These recognise the amount of the unexpired portion of their policy periods from the date of liquidation. They are not a promise or undertaking to pay, but were required to be issued in order to comply with Inland Revenue Department requirements. The liquidator sought exemption from the Department on the grounds of the costs involved in complying with the relevant section of the Goods and Services Tax Act 1985, such exemption being available by discretion of the Department. Unfortunately the Department declined the application for exemption.

If you have not lodged your claim at the time of reading this report, please contact the liquidator's office.

Other matters of investigation:

The actions and liability of the directors and other parties are being reviewed and payments due from shareholders are being recovered.

Review and Investigation:

The liquidator is continuing with investigations into the affairs of the company, areas of specific review are:

- the flow of funds between the company and other entities;
- non cash transactions;
- any associated company and trust balances;
- preferential payments to creditors;
- remuneration paid/drawn by the Company directors; and
- Other issues as they come to the liquidators' attention;
- Solvency issues at times relevant to the incurring of debt by the Company directors.

Liquidator's Statement of Receipts & Payments:

Refer attached Statement of Receipts and Payments for funds recovered and payments made to date.

Dividend to Unsecured Creditors:

We are unable to estimate at this time the likelihood of any distribution to unsecured creditors, which will be largely determined by the success in recovering outstanding debtors and voidable payments.



Christopher Horton
Liquidator

Link Warranties Limited (In Liquidation)
Liquidator's Statement of Receipts & Payments
Period 1 October 2011 to 16 May 2012

Opening Cash Balance \$6,392.77

Receipts

Asset Receipts	173.91	
Debtor Receipts	2,127.01	
GST Inwards	111,721.21	
Interest Received	1,053.57	
Shareholder recoveries	694.90	
Voidable Recoveries	<u>11,644.57</u>	
		127,415.17

Payments

Bank Charges	41.20	
Printing & Postage	1,796.80	
Computer Forensics	343.00	
GST Outwards	9,959.18	
Insurance	90.40	
Legal	5,620.00	
Liquidator's Fees & Disbursements	58,370.39	
Resident Withholding Tax	<u>347.63</u>	
		<u>76,568.60</u>

Cash on Hand \$57,239.34