

THE COMPANIES ACT 1993
Pursuant to Section 255

LIQUIDATORS' FIFTH REPORT TO CREDITORS & SHAREHOLDERS
OF
FOREX BROKERS LIMITED (IN LIQUIDATION)
(the Company)

Company No: 690426 / NZBN: 9429038437533

Reporting Period: 11 October 2018 to 10 April 2019

1. INTRODUCTION

Christopher Carey McCullagh, Chartered Accountant and Stephen Mark Lawrence, (together **the Liquidators**) both RITANZ Accredited Insolvency Practitioners of PKF Corporate Recovery & Insolvency (Auckland) Limited, were jointly and severally appointed as Liquidators of the Company on 10 April 2017 by a special resolution of shareholders, pursuant to section 241(2)(a) of the Companies Act 1993 (**the Act**).

We set out below our fifth report on the state of affairs of the Company as required by section 255(2)(d) of the Act.

The Liquidators take no responsibility for any information contained in this report which has been prepared from information supplied by the Company, its officers, or other persons.

2. RESTRICTIONS

This report has been prepared in accordance with section 255 of the Act based on information contained in the Company's records and information supplied to us from the Company, its directors and other officers. The Liquidators have not carried out an audit of the Company's records. Accordingly, we retain the right to amend particulars if I consider it necessary in light of information which becomes available to us after the date of this report. The Liquidators shall not be held responsible for any losses resulting from the reliance of any person on information contained in or derived or omitted from this report.

3. ACTION UNDERTAKEN SINCE OUR LAST REPORT

3.1 REALISATION OF ASSETS

We collected accounts receivable of \$3,000 during the reporting period. We will continue collecting the remaining receivables.

We are currently collecting information in relation to unclaimed money deposits held by Inland Revenue.

3.2 VOIDABLE TRANSACTIONS

As previously reported, we have reviewed payments made by the Company within 6 months (restricted period) and also within 2 years (specified period) of the date of liquidation, with a view to determining whether those payments may be set aside as voidable transactions under section 292 of the Act. A significant proportion of the Company's payments were made overseas, therefore the funds are largely unrecoverable. Nevertheless, we are continuing to investigate the recovery of voidable transactions.

3.3 CLAIM AGAINST DIRECTOR

As was previously reported, the liquidators determined that during the past four financial years prior to liquidation the Company had been incurring significant losses. The liquidators are of the view that the Company's director Russell Maher breached his duties as a director under the Act and should therefore be held personally liable for the Company's debts. In August 2018 the liquidators issued a demand letter to Mr Maher for \$4,000,000. In October 2018 Mr Maher responded advising that he did not have means to settle the demand.

On 26 November 2018 Mr Maher was made bankrupt on voluntary petition. On 13 February 2019 the liquidators filed a claim for \$5,041,476.95 in Mr Maher's bankruptcy. The liquidators do not know whether any funds will be available to creditors in his bankruptcy.

3.4 SFO INVESTIGATION

The Serious Fraud Office (**the SFO**) investigation into the affairs of the Company's director, Russell Maher, is ongoing. The Liquidators are cooperating with the SFO in their investigations. Queries in relation to the investigation should be directed to the SFO.

4. SECURED CREDITORS

The Liquidators have received no claims from secured creditors in the liquidation.

5. PREFERENTIAL CREDITORS

The Liquidators have received no claims from preferential creditors in the liquidation.

6. UNSECURED CREDITORS

The Liquidators have received 96 claims from unsecured creditors, totalling \$12,834,504.85.

At this stage, the Liquidators do not anticipate there will be sufficient funds recovered to make a distribution of significant value to unsecured creditors.

7. PROPOSALS FOR COMPLETING THE LIQUIDATION

All the Company's significant assets have been realised.

The liquidation will stay open while SFO's investigation is ongoing and Mr Maher's bankruptcy is under review by the Official Assignee.

8. STATEMENT OF REALISATIONS AND DISTRIBUTIONS


A Statement of the Liquidators' Realisations and Distributions for the period 11 October 2018 to 10 April 2019 is **attached**.

9. ESTIMATED DATE OF COMPLETION


Bearing in mind the complex nature of the Company's affairs, the poor state of the Company's records, the ongoing investigation by the SFO and Mr Maher's bankruptcy, we are unable to give an accurate estimate for the date of completion of this liquidation.

10. OTHER INFORMATION

Please contact Liliya Zlobina of this office directly on 09 306 7426, if you have any queries regarding this liquidation or wish to bring any specific matters to the Liquidators' attention.

SIGNED

**CHRISTOPHER C McCULLAGH
JOINT & SEVERAL LIQUIDATOR**



DATED

FOREX BROKERS LIMITED (IN LIQUIDATION)

STATEMENT OF REALISATIONS AND DISTRIBUTIONS

For the Period 11 October 2018 to 10 April 2019

Pursuant to Section 255 of the Companies Act 1993

	\$
Opening Balance	<u>103,418</u>
Particulars of Realisations	
Debtors Collected	3,000
Interest Received	1
	<u>3,001</u>
Particulars of Distributions	
Liquidators Fees	11,073
Record Storage	242
	<u>11,316</u>
Closing Balance	<u><u>95,103</u></u>