

COMPANY NO. 1479414

LIQUIDATORS' SECOND REPORT
Section 255 of the Companies Act 1993

LDC FINANCE LIMITED (IN RECEIVERSHIP AND LIQUIDATION)

APPOINTMENT

On 24 September 2012, Iain Shephard and Heath Gair were appointed liquidators jointly and severally of LDC Finance Limited by order of the High Court.

This is our six monthly report required by Section 255(2)(d) of the Companies Act 1993 and is to be read in conjunction with our previous report.

BACKGROUND

LDC Finance Limited (In Receivership and Liquidation) ("the Company") traded as a finance company from its office on Halifax Street, Nelson.

The Company accepted both secured and unsecured deposits and provided loans to members of the public as well as other retail finance companies.

On 4 September 2007, Malcolm Hollis and John Fisk of PricewaterhouseCoopers ("the First Receivers") were appointed Receivers of the Company under the terms of a Debt Securities Trust Deed dated 18 June 2004.

From 4 September 2007 to 24 July 2012, the First Receivers managed the collection of the Company's finance receivables and defended legal action by Finance and Investments ("F&I") investors who were seeking to have funds obtained by the Company returned to F&I.

While a more detailed explanation of the Receivership is contained in the First Receivers' reports, in summary there were insufficient funds realised to repay the Company's investors and the legal action by F&I investors was not successfully defended.

On 24 July 2012, the First Receivers vacated due to a conflict of interest and David Ruscoe and Richard Simpson of Grant Thornton ("the Second Receivers") were appointed as successors.

The Second Receivers continue to manage the collection of the Company's finance receivables and the F&I proceedings.



LIQUIDATORS' ACTIONS

Legal Proceedings

The Liquidators have filed proceedings against the Company's directors, trustee, advisors and auditor.

The proceedings are being brought by the Liquidators on behalf of the Company, as well as specific investors, with the intention that those specific investors represent all investors for any claims that may lie with investors rather than the Company.

The Liquidators and their advisors will continue to manage the proceedings and will correspond with investors when necessary.

Settlement of F&I proceedings

The Company filed an appeal against the decision of the High Court to have funds obtained by the Company returned to F&I. Since then there has been a mediation and negotiated settlement. Due to a confidentiality agreement the Liquidators cannot disclose the terms of the settlement, but we do expect this to result in a partial distribution to secured creditors.

Company records

The Liquidators have uplifted Company records from the Company's office in Nelson and are holding them in a secure storage facility.

REALISATION OF ASSETS

The Receivers are managing the collection of Company receivables.

PROSPECT OF A DISTRIBUTION

The likelihood and quantum of any further distributions depends on the Receivers collection of the remaining receivables and the success of the legal proceedings.

RECEIPTS AND PAYMENTS

No funds have been remitted in the liquidation.

ESTIMATED DATE OF COMPLETION

It is not practical to estimate the date of completion at this time. Should you have any queries please do not hesitate to contact us.



Iain Shephard

Liquidator

Dated 17 June 2013

