

MEDIA RELEASE
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Perpetual Trust appoints Receivers to Finance and Leasing Limited

Perpetual Trust, the trustee for Finance and Leasing Limited, has appointed receivers to the company.

Perpetual Trust Head of Corporate Trust, Matthew Lancaster, says the decision to appoint receivers was made following a request from the Directors of Finance and Leasing for the company to be placed into receivership.

“This has arisen because the company is in breach of its capital ratio covenant as required by Reserve Bank regulations for finance companies,” said Matthew Lancaster.

“While the capital ratio requirement, which came into force on 1 December 2010, was advised some time ago, Finance and Leasing has been unable to re-gear its balance sheet sufficiently in the time available to meet the covenant on a consistent basis.

The company has applied to the RBNZ for dispensation but that would have taken three months to process, and in the meantime the Companies Office was unwilling to approve the company’s prospectus. Without a registered prospectus, the company is unable to trade as a finance company and therefore there is no option other than to place the company in receivership.

“The receivers will need to make their assessment of the state of the company’s assets and liabilities before any estimate of return of investors’ funds can be made.” he said.

Finance and Leasing was not a participant in the Retail Crown Guarantee Scheme. There are 227 debenture holders with \$17 million invested.

Brett Chambers and Paul Munro of Deloitte have been appointed receivers.

The receivers have started their assessment and will endeavour to report to debenture holders as soon as possible.

Ends

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