



Good news for Bidgee investors

By ZOE MCMAUGH

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BIDGEE Finance debenture holders are expected to start receiving the money they invested in the company as early as next year.

The local finance company was placed in receivership in November last year, and is now controlled by Melbourne based company KordaMentha.

When receivership was first announced, it was predicted that debenture holders may not see their investments returned for many years and that shareholders were not likely to see any return.

However, in a recent circular to debenture holders, KordaMentha receiver and manager Craig Shepard said the outlook is now much more positive.

Mr Shepard said since the commencement of receivership \$11.6 million of Bidgee's commercial bill facility has been repaid, which means it now owes \$36.4 million.

He said distributions to debenture holders would only start once the full \$48 million has been repaid, but said he predicts it will occur after July next year.

"Our current forecast indicates that the company's commercial bill facility will be fully repaid by July 2010, following which we will commence the process of making partial distributions to debenture holders.

"We anticipate distributions will flow regularly thereafter until all principal and interest has been paid, or until the company's assets have been fully realised and the proceeds distributed."

Bidgee board of directors chairman Lloyd Thomson said KordaMentha has done a great job to turn those predictions around.

Although he said the final outcome was not a surprise for the board.

"It is good news for debenture holders, as the board believed it would be.

"The return of investments was not unexpected, but you can never be too sure in today's climate.

"This is a reassuring message to debenture holders, and it is also positive that there is a good chance that shareholders will get a return of some sort as well.

"At this point everything is running to schedule, which is also reassuring," he said.

Mr Thomson praised the efforts of the company to reduce the costs of receivership, including utilising remaining staff.

He said while welcomed, their methods were quite unusual.

"KordaMentha has taken measures to reduce the cost of receivership, and they have acknowledged remaining staff for their professionalism in helping to collect or re-finance loans.

"It is most unusual and I have never seen a comment like that.

"Usually the receiving company will do all that work themselves," he said.

Only seven Bidgee Finance employees have remained with the company, reduced from 48.

They are housed at the main office in Mildura. Other offices in Deniliquin, Adelaide, Horsham, Wagga and Albury have been sold.

When KordaMentha first took over Bidgee Finance, [the Company] blamed the company's collapse on the global financial crisis and lack of confidence from Bidgee's trustee of debenture note holders Permanent Nominees Limited.

Mr Thomson maintains that the Rudd Government played a role in the collapse, by agreeing to bail out banks but not second tier lenders like Bidgee.

He said the company should never have gone into receivership.