

IEP New Zealand Limited (In Liquidation)

Liquidators' final report to creditors and shareholders

As at 17 June 2022

Deloitte
Level 18
Deloitte Centre
80 Queen Street
AUCKLAND 1010

E: nzrecovery@deloitte.co.nz
W: www.deloitte.co.nz



On 28 September 2020, Colin Owens and David Webb were appointed liquidators of IEP New Zealand Limited (In Liquidation) (“Company”).

As Licensed Insolvency Practitioners, we are bound by the RITANZ Code of Professional Conduct when carrying out all professional work relating to our appointment as Liquidators.

Liquidators of insolvent companies are required to be licensed insolvency practitioners. More information about the regulation of insolvency practitioners is available from the Registrar of the Companies.

Restrictions

We take no responsibility for any incorrect information contained in this report that has been supplied by the company, its officers or other persons.

This is our final report to creditors and shareholders in terms of section 257 of the Companies Act 1993. This report is confidential to creditors and shareholders and not to be reproduced or used for any other purpose without our prior written consent in each case. We do not accept any liability whatsoever to any party from any use of, or reliance on, this report.

Background

IEP provided work and study abroad support services to the STA Travel Group. IEP focused on helping people with overseas work abroad experiences (both inbound and outbound) and also assisted inbound customers with processing their working visa applications to Immigration New Zealand

Following the collapse of its overseas parent company, the Directors placed the Company into Voluntary Administration on 24 August 2020 and appointed Colin Owens and David Webb Joint and Several Administrators.

The Administrators undertook an assessment of the financial position of the Company. The ultimate parent company and other companies within the STA Travel Group were or about to be in some sort of formal administration. Given the current financial position of the Company in New Zealand and without the support of the STA Travel Group, the Company could not continue to trade in New Zealand.

At the watershed meeting of creditors held on 28 September 2020, the creditors voted to place the Company into liquidation with Colin Owens and David Webb being appointed as Liquidators.

Summary of actions the Liquidators’ have taken in the liquidation

The Liquidators completed an investigation into the financial affairs of the Company to ascertain any recoveries for the benefit of creditors. This included ascertaining whether the debtors identified at the date of liquidation were collectable. It was concluded that the remaining debtors at the date of liquidation (apart from the amount owed from the related company, NNS New Zealand Limited (In Liquidation)) were in dispute given the Company could not fulfil its obligation under the contracts due to the liquidation. As a result, no other recoveries were able to be made.

A claim was lodged in the liquidation of NNS New Zealand Limited (In Liquidation), and a distribution was received in full.

A large number of creditor claims were filed in the Liquidation. These were admitted after reviewing the claims and confirming that these creditors had not received any payments in satisfaction or reduction from any third party in relation to their claims filed. A distribution of 4.25 cents in the dollar was paid to unsecured creditors. A small number of creditor's distributions were forwarded to the Inland Revenue as unclaimed monies.

The Liquidators have undertaken their statutory duties including maintaining records of the liquidation, preparing accounts of the liquidation, preparing and filing GST returns and reporting and dealing with queries with creditors. The Liquidators have also undertaken their duties under the RITANZ Code of Professional Conduct, including preparing a Declaration of Independence, Relevant Relationships and Indemnities (DIRRI) and Remuneration Report.

Summary of outcomes

The recoveries made in the liquidation are recorded in the Statement of realisations and distribution detailed in **Appendix A**.

No assets were disclaimed by the liquidators under section 269 of the Companies Act 1993 or distributed to creditors without realisation.

The outcome for each class of creditor, who filed claims in the liquidation, is as follows:

Class of creditor	Total claims filed (\$)	Amount paid (\$)	Cents per dollar	Unpaid balance (\$)	Reason not paid in full
Secured creditor	1,551	0	0	1,551	The collateral was returned to the secured creditor.
Unsecured (preferential) creditors	0	0	0	0	No preferential claims
Unsecured (non-preferential) creditors	727,265	30,909	4.25	696,356	Insufficient funds
Total	\$728,816	\$30,909		\$697,907	

Realisations and distributions

A statement of the realisations and distributions for the Company since the commencement of the liquidation, and Liquidators' previous report is detailed in **Appendix A**.

Summary of fees paid

A summary of the fees, allowances, reimbursements and other benefits paid since the commencement of the liquidation is incorporated into the remuneration report that is required to be provided to the Company's creditors under the RITANZ Code of Professional Conduct. This is attached as **Appendix B**.

Liquidators' statements

1. All known assets have been disclaimed, or realised, or distributed without realisation.
2. All proceeds of realisation have been distributed.
3. The company is now ready to be removed from the New Zealand Register.

Summary of grounds for objection to removal from the register

Anyone wishing to object to the removal may do so on the following grounds:

1. That the company is still carrying on business or there is other reason for it to continue in existence; or
2. That the company is a party to legal proceedings; or
3. That the company is in receivership, or liquidation, or both; or
4. That the person is a creditor, or a member, or a person who has an undischarged claim against the company (see note below); or
5. That the person believes that there exists and intends to pursue a right of action on behalf of the company under Part IX of this Act; or
6. That, for any reason, it would not be just and equitable to remove the company from the register.

Note: A claim by a shareholder or any other person against a company is not an "undischarged" claim if a Receiver or Liquidator has notified the shareholder, or that person, that the assets of the company are not sufficient to enable payment in part, or in full, to the creditor, (as in this case).

Objections are to be lodged with the Registrar of Companies 20 working days after public notice has been given of the intention to remove the company from the Register.

If you require any further information, please contact me.

Dated: 17 June 2022



Colin Owens
Liquidator

Colin Owens
DDI: +64 4 470 3779
Email: cowens@deloitte.co.nz

Statement of realisation and distributions

	1st six-monthly Report \$ (GST excl) 28/09/2020	2nd six-monthly Report \$ (GST excl) 29/03/2021- 28/09/2021	3rd six-monthly Report \$ (GST excl) 29/09/2021- 28/03/2022	Final Report \$ (GST excl) 29/03/2022- 17/06/2022	TOTAL \$ (GST excl)
Opening Bank Balance (28 September 2020)	0	60,923	40,601	53,040	0
Realisations					
Interest Net	83	72	55	73	283
Funds Trf from Administration	210,426				210,426
Debtors			19,660		19,660
GST Net			364	168	532
Total Receipts	210,509	72	20,079	240	230,901
Distributions					
Legal Costs (Liquidation)	3,766				3,766
Legal Costs (Administration)	15,718	9,366			25,085
Liquidators' Fees	19,296	10,842	7,641	21,980	59,758
Liquidators' Disbursements	303			391	695
Administrators' Fees	106,598				106,598
Administrators' Disbursements	3,299				3,299
Distribution to Unsecured Creditors				30,909	30,909
GST Net	605	186			791
Total Payments	149,586	20,394	7,641	53,280	230,901
Closing Bank Balance (17 June 2022)	60,923	40,601	53,040	0	0

Remuneration report and summary of liquidation fees paid

This report incorporates the requirements of the RITANZ Code of Professional Conduct and the Companies (Reporting by Insolvency Practitioners) Regulations 2020.

Licensed Insolvency Practitioners

We, Colin Owens and David Webb, Licensed Insolvency Practitioners, are bound by the RITANZ Code of Professional Conduct when carrying out all professional work relating to our appointment as liquidators.

Remuneration

The work undertaken during period 28 September 2020 (date of liquidation) to 17 June 2022 is set out below:

Statutory, creditor & professional duties

The Liquidators have:

- Maintained the records of the liquidation;
- Prepared accounts of the liquidation;
- Prepared and filed GST returns;
- Dealt with creditor enquiries and the associated third party organisations;
- Reported to creditors;
- Obtained information in relation to the charge backs received by creditors;
- Reviewed creditor claims filed in the liquidation;
- Communicated with and made a distribution to ordinary unsecured creditors;
- Prepared a Declaration of Independence Relevant Relationships and Indemnities as required by the RITANZ Code of Professional Conduct; and
- Prepared a Remuneration Report as required by the RITANZ Code of Professional Conduct.

Protecting & realising assets

The Liquidators have:

- Organised for the cash held in the Company's bank account to be transferred to the liquidators' trust account;
- Written to debtors;
- Reviewed the responses received;
- Requested and reviewed information in relation to the Company's pre-liquidation insurance policies;
- Reviewed the Company's insurance requirements; and
- Liaised with third party suppliers to collect refunds.

Investigation & enforcement

The Liquidators have:

- Interviewed the director;
- Obtained and reviewed the Company's bank statements;
- Obtained and reviewed the Company's financial statements;
- Obtained access to and reviewed the Company's records; and
- Completed an investigation into the financial affairs of the Company.

The total remuneration we have received in the liquidation is \$59,758 (net of GST). The classification of staff engaged on each category of work, broken down into hourly rate, hours and costs is attached as **Appendix B.1**.

The Liquidators have also paid Administrators' remuneration of \$106,598 (net of GST) in full payment of the work performed during their appointment from the funds transferred from the Administrators at the conclusion of the Administration. As this remuneration was not reported or paid in the Administration, the Liquidators are choosing to report the break down on this remuneration in this report. The classification of staff engaged on each category of work, broken down into hourly rate, hours and costs is also attached as **Appendix B.2**.

Disbursements

Classes of disbursements

Disbursements are costs paid by the Company in liquidation, either:

- Initially from the liquidators' resources and then claimed back from the company in liquidation; or
- Directly by the Company in liquidation.

Disbursements fall into three categories:

- Externally provided professional services (e.g. legal fees)
- Externally provided non-professional costs (e.g. insurance, travel, advertising)
- Internal disbursements (e.g. photocopying, printing, postage)

These are all recovered at cost.

Disbursements for the period

The following disbursements were paid during the period 28 September 2020 (date of liquidation) to 17 June 2022:

Disbursement	\$ (excl GST)
Advertising: Used to advertise the liquidation	695
Liquidators' Legal costs (e.g. legal fees, expert witness costs, Court filing fees, digital transcription): Used to protect the company/liquidators and litigate	3,766
Administrators' Legal costs (e.g. legal fees, expert witness costs, Court filing fees, digital transcription): Used to protect the company/liquidators and litigate	25,085
	29,546

The incurrence of these disbursements was necessary and proper.

Disbursements paid to the Liquidators' firm

The total disbursements paid by the Company to the Liquidators' firm (either directly or in reimbursement of a payment to a third party) during the period 28 September 2020 (date of liquidation) to 17 June 2022 was \$695, as follows:

Recipients	Purpose	Amount paid (excl GST) \$
Allied Press Limited	Advertising	42
Department of Internal Affairs	Advertising	35
NZME Publishing Limited	Advertising	108
Stuff Limited	Advertising	119
		303

Further to the above, the liquidators have paid retirement disbursements of \$391.

Disbursements paid to the Administrators' firm

The total disbursements paid by the Company to the Administrators' firm (either directly or in reimbursement of a payment to a third party) during the period 28 September 2020 (date of liquidation) to 17 June 2022 was \$3,299 as follows:

Recipients	Purpose	Amount paid (excl GST) \$
Allied Press Limited	Advertising	573
Department of Internal Affairs	Advertising	181
NZME Publishing Limited	Advertising	1,151
Stuff Limited	Advertising	1,353
Iron Mountain New Zealand Limited	Offsite storage	23
Taxi	Transport	18
		3,299

Matters that have contributed to the level of remuneration

The work undertaken is summarised above.



If you require any further information, please contact us.

A handwritten signature in blue ink, appearing to read "Colin Owens".

Colin Owens

17 June 2022

Date

Appendix B.1

Total remuneration breakdown

The total remuneration received in the liquidation (net of GST) between 28 September 2020 and 17 June 2022 was:

Level	Hourly rates \$	Description	Hours	Cost \$
Office Administrator	95 - 140	Investigation & Enforcement	0.3	33
		Statutory, Creditor & Professional Duties	10.9	1,343
			11.2	1,376
Analyst	215	Investigation & Enforcement	0.3	77
		Statutory, Creditor & Professional Duties	31.6	6,802
			32.0	6,879
Senior Analyst	260	Investigation & Enforcement	0.1	22
		Protecting & Realising Assets	4.4	1,137
		Statutory, Creditor & Professional Duties	36.6	9,519
			41.1	10,678
Manager	325	Statutory, Creditor & Professional Duties	0.1	28
			0.1	28
Associate Director	400	Statutory, Creditor & Professional Duties	27.7	11,221
			27.7	11,221
Director	500	Investigation & Enforcement	1.5	729
		Protecting & Realising Assets	1.5	735
		Statutory, Creditor & Professional Duties	2.3	1,157
			5.2	2,621
Liquidator	500-620	Investigation & Enforcement	0.8	437
		Protecting & Realising Assets	3.9	1,923
		Statutory, Creditor & Professional Duties	47.2	24,594
			51.9	26,954
Total Remuneration			169.2	59,758

Appendix B.2

The total Administrators' remuneration (net of GST) paid during the liquidation between 28 September 2020 and 17 June 2022 was:

Level	Hourly rates \$	Description	Hours	Cost \$
Office Administrator	95	Investigation & Enforcement	1.1	136
		Statutory, Creditor & Professional Duties	25.1	2,624
			26.2	2,760
Analyst	215	Investigation & Enforcement	9.2	1,749
		Protecting & Realising Assets	0.3	64
		Statutory, Creditor & Professional Duties	3.1	661
		12.6	2,474	
Senior Analyst	260	Investigation & Enforcement	15.4	3,996
		Protecting & Realising Assets	3.5	902
		Statutory, Creditor & Professional Duties	21.5	5,528
		40.4	10,426	
Manager	325	Investigation & Enforcement	10.9	4,635
		Protecting & Realising Assets	1.0	421
		11.9	5,056	
Associate Director	400	Investigation & Enforcement	3.6	1,428
		Statutory, Creditor & Professional Duties	39.7	15,962
		43.2	17,390	
Director	500	Investigation & Enforcement	13.0	6,494
		Protecting & Realising Assets	2.1	1,041
		Statutory, Creditor & Professional Duties	38.3	19,130
		53.3	26,665	
Administrator	500 - 620	Investigation & Enforcement	12.1	6,833
		Protecting & Realising Assets	2.0	1,134
		Statutory, Creditor & Professional Duties	63.1	33,859
		77.1	41,826	
Total Remuneration			265	106,598

Deloitte Global[®]) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTL and each DTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

CONFIDENTIAL