

STA Travel (NZ) Limited (In Liquidation)

Liquidators' six monthly report and notices to creditors
and shareholders

As at 28 March 2021

Deloitte
Level 18
Deloitte Centre
80 Queen Street
AUCKLAND 1010

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

Our Ref: 508585



On 28 September 2020, Colin Owens and David Webb were appointed liquidators of STA Travel (NZ) Limited (In Liquidation) (“the 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.

This is our six monthly report required by section 255 (2) (d) of the Companies Act 1993.

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 document is a report to creditors and shareholders, and notices to creditors in terms of the Companies Act 1993. This report is confidential to creditors and shareholders and is 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.

Information included in the Liquidators’ six monthly report

The Liquidators’ six monthly report includes the following appendices:

- Appendix A: Updated Statement of Affairs for the Company
- Appendix B: Statement of Realisations and Distributions
- Appendix C: Updated Interests Statement
- Appendix D: Liquidators Remuneration Report

Conduct of the liquidation during the preceding six months

During the six months covered by this report, the Liquidators have corresponded with the various airlines and third-party suppliers seeking details and repayment of refunds (not previously refunded) due to customers. To date, funds have been received from the International Air Travel Association (IATA) and a small number of travel vendors. Various other travel vendors have advised that they are dealing with affected customers directly and will not be remitting funds to the Liquidators, certain travel vendors have advised they will follow the directions of the Court (see below) and some travel vendors have simply not responded. We are continuing to follow up with these airlines to recovery monies for the benefit of affected creditors. The funds which have been remitted are held in trust by the Liquidators, until such time as a directions order is made by the Court.

The Liquidators have sought legal advice as to whether these funds recovered should be distributed to the individually affected customer to which the refund relates to (where this can be identified), or whether these should be distributed in accordance with the priority order set out in the 7th schedule of the Companies Act 1993. The legal advice recommended that the Liquidators apply to the Court for directions on how the refunds recovered to date, and any additional refunds recovered, should be distributed.



The Liquidators have recently secured third-party funding from the Liquidation Surplus Account to make an application to the Court for directions and are in the process of preparing the application with their lawyers. This application is expected to be filed with the Court in the coming weeks.

The Liquidators have also discussed the Company's eligibility of the reimbursement scheme with Government officials. The Liquidators will apply for the reimbursement scheme subject to recovering funds and determining how these funds should be disbursed. Our intention is to apply for the reimbursement scheme once we have directions from the Court.

Realisations and distributions

A statement of the realisations and distributions in the six months covered by this report is detailed in Appendix B.

The furniture and equipment able to be removed from the various stores was sold but did not realise a significant recovery. There remains a small amount of Computer equipment to be sold, but these assets are not expected to realise any significant value.

No remuneration has been paid to the Liquidators from funds held on our appointment during the liquidation to date. The Liquidators remunerated the former Administrators for work that they had completed on behalf of the Company's merchant acquirer. This party had funded the Administrators to complete this work and were part of funds transferred to the Liquidators upon the Administration coming to an end.

The firm that employs the Liquidators, Deloitte, has invoiced the Company's merchant acquirer for work undertaken in relation to reconciling chargeback transactions. This invoicing totalled c.\$25k during the reporting period and was undertaken to assist affected parties and the Company's merchant acquirer.

Apart from merchant acquirer funded work, the Administrators received no remuneration incurred in completing the Administration of the Company. The Administrators have a priority for their unpaid remuneration pursuant to the Seventh Schedule of the Companies Act 1993.

Further proposals for completing the liquidation

There are no material changes to the proposed actions outlined in the Liquidators first report.

We are in the process of preparing the application with our lawyers to apply to the Court for directions on how the customer refunds recovered should be distributed.

In the meantime, we will continue to follow up the various airlines and third-party suppliers seeking details and repayment of refunds (not previously refunded) due to customers.

Distribution to creditors

Any distribution to creditors/customers is subject to the outcome of the application for directions from the Court, other recoveries made in the liquidation and ongoing liquidation costs.

Notice to creditors/shareholders/director or other entitled person

Section 284(1)(e) of the Companies Act 1993 details the right of a creditor, shareholder, director or other entitled person to seek the leave of the Court to, in the respect of any period, review or fix the remuneration of the liquidator at a level which is reasonable in the circumstances.

Information for creditors and shareholders

The Companies Act 1993 allows a creditor in many circumstances (but not a shareholder) a higher priority for distributions in the liquidation if such creditor takes action, or provides funding to the liquidation, for the benefit of the Company's creditors. Creditors and shareholders may have their own remedies, independent of the Liquidators, for seeking to recover any losses, including under section 301 of the Companies Act 1993.

Creditors or shareholders that wish the liquidators to undertake recovery actions and are willing to provide funding or other assistance, or who have information that would assist the Liquidators in recovering funds for the benefit of creditors and shareholders, should contact the Liquidators as soon as possible, as delay may cause legal recovery action to become impossible or unproductive. Information in writing and copies of relevant correspondence or documents would be helpful to the Liquidators in undertaking recovery actions.

Remuneration report

The Remuneration Report that is required to be provided to the Company's creditors under the RITANZ Code of Professional Conduct is attached as Appendix D.

Estimated completion date

We cannot at present provide a useful estimate of the date by which the liquidation will be completed.

If you require any further information, please do not hesitate to contact Lily Choun.

Dated: 28 April 2021



Colin Owens
Liquidator

Louise Craig
DDI: +64 4 470 3756
Email: lcraig@deloitte.co.nz

Lily Choun
DDI: +64 9 306 4431
Email: lchoun@deloitte.co.nz

Appendix A: Updated Statement of Affairs for the Company

Estimated Statement of Financial Position		Liquidators First Report	Estimated to 28 March 2021
	Note.	\$'000s	\$'000s
Assets at book or advised values*			
Trade & other receivables	[1]	TBC	TBC
Merchant acquirer funding	[2]	30	30
Property, plant & equipment	[3]	4	6
Assets total		<u>34</u>	<u>36</u>
Liabilities*			
Preferential Creditors	[4]	<u>(439)</u>	<u>(436)</u>
Secured and Preferential Creditor total			
Estimated Net before Other Unsecured Creditors		(405)	(400)
Other Unsecured Creditors	[5]	<u>(11,146)</u>	<u>(11,146)</u>
Unsecured Creditor total			
Calculated net balance (shortfall) to creditors prior to costs of liquidation		<u><u>(11,551)</u></u>	<u><u>(11,546)</u></u>

Notes

- 1 The Liquidators are still investigating the actual amount owing to the Company.
- 2 Merchant acquirer funding was received in the Administration & was part of the funds transferred from the Administrators.
- 3 Assets of nett \$4k have been realised we est approx. \$2k worth computer equipment still to realise.
- 4 Has reduced by \$3k after IRD claim was filed with the Liquidators.
- 5 The original figure was provided in the Directors' statement of position to the Administrators.
To date, unsecured creditors claims filed in the liquidation totals \$11m.

***No provision has been made for costs of liquidation or realisation.**

Appendix B: Statement of Realisations and Distributions

Period 28 September 2020 to 28 March 2021

All figures exclude GST.

	Six Month Period 28 Sept 2020 to 28 March 2021	Total Liquidation
	\$	\$
Realisations		
Interest Nett	35	35
Funds Transferred from Administration	32,664	32,664
Sale of assets	5,226	5,226
Trade Creditor Refund	74	74
Pre-Liquidation Insurance Refund	6,183	6,183
Total Receipts	44,182	44,182
Distributions		
Cost of Asset Sales	1,222	1,222
Insurance	250	250
Administrators' Fees (Contracted work)	30,000	30,000
GST Net	4,585	4,585
Total Payments	36,057	36,057
Closing Bank Balance	8,125	8,125

Appendix C: Updated Interests Statement

The Liquidators included an Interests Statement in their first Liquidators report, and this was made available to all creditors of the Company.

No further information has come light that requires the Liquidators to update the original Interests Statement filed in the Liquidators first report.

Appendix D: Liquidators and/or Administrators Remuneraton Report

No remuneration has been paid to the Liquidators during the liquidation to date.

The Company's merchant acquirer contracted and provided funding to the Administrators to undertake a specific piece of work during the Administration to assist it in understanding details of the charge back transactions to customers of the Company, with a view to facilitating refunds where appropriate.

This funding was part of the funds that were transferred over from the Administration to the Liquidation of the Company. As such, the Administrators remuneration was paid during the course of the liquidation.

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