

NNS New Zealand Limited (In Liquidation)

Liquidators' final report
To Creditors and Shareholders

As at 2 March 2022

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On 28 September 2020, Colin Owens and David Webb were appointed liquidators of NNS New Zealand 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.

Restrictions

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

Summary of actions the liquidators have taken in the liquidation

The Company was a reseller of international student identification (ISIC) cards in New Zealand under an exclusive licence with ISIC Global. The ISIC card was an internationally recognised student ID and enabled holders to obtain travel discounts, etc. There were also youth cards (for under 31s) and teacher cards. The business was largely an automated virtual business in New Zealand.

Following the collapse of its overseas parent company, the Directors then 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 were 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.

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 were in dispute given the Company could not fulfil its obligation under the contracts due to the liquidation. As a result, the Liquidators did not recover any monies from debtors recorded at the date of liquidation.



The Liquidators completed their investigation into the financial affairs of the Company and no further recoveries were identified for the benefit of creditors. Notwithstanding our investigations, there was recovery of funds held in the Company bank account on our appointment.

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 to 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 pd (\$)	Cents per dollar	Unpaid bal (\$)	Reason not paid in full
Secured creditors	0	0	0	0	n/a
Preferential creditors	0	0	0	0	n/a
Unsecured (non-preferential) creditors	159,049	159,049	100.00	0	n/a
Total	\$159,049	\$159,049		\$0	

Realisations and distributions

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

There were no material differences between the amounts reported in the statement of realisations and distributions for the period of this report and the amounts estimated in the Liquidators' previous report.

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 Louise Craig of our offices.

Dated: 2nd March 2022



Colin Owens
Liquidator

Louise Craig
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Statement of realisations and distributions

	1st six-monthly Report \$ (GST excl) 28/09/2020- 28/03/2021	2nd six-monthly Report \$ (GST excl) 29/03/2021- 28/9/2021	Final Report \$ (GST excl) 29/09/2021- 02/03/2022	TOTAL \$ (GST excl)
Opening Bank Balance	0	187,153	172,476	0
Realisations				
Interest Net	169	231	329	729
Funds Transferred from Administration	257,557			257,557
Total Receipts	257,726	231	329	258,286
Distributions				
Legal Fees (Administration)	8,435	5,091		13,526
Liquidators' Fees	11,649	9,556	13,914	35,118
Liquidators' Disbursements	303		391	694
Administrators' Fees	46,317			46,317
Administrators' Disbursements	3,262			3,262
Distribution to Unsecured Creditors			159,049	159,049
GST Net	607	261	(549)	319
Total Payments	70,573	14,908	172,805	258,286
Closing Bank Balance	187,153	172,476	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 the period 28 September 2020 (date of liquidation) to 2 March 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;
- Reported to creditors;
- Started reviewing the creditor claims filed in the liquidation;
- Reviewed and admitted unsecured creditor claims;
- Made a distribution to 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 debtor 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 directors;
- 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
- Completing an investigation into the financial affairs of the Company.

The total remuneration we have received in the liquidation is \$35,118 (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 C.1**.

The Liquidators have also paid Administrators' remuneration of \$46,317 (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 C.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 2 March 2022:

Disbursement	\$ (excl GST)
Administrators' legal costs (e.g., legal fees, expert witness costs, Court filing fees, digital transcription): Used to protect the Company/Liquidators and litigate	13,526
	13,526

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 2 March 2022 was \$694, as follows:

Recipients	Purpose	Amount paid (excl GST) \$
Allied Press Limited	Advertising	42
Department of Internal Affairs	Advertising	155
NZME Publishing Limited	Advertising	338
Stuff Limited	Advertising	119
Iron Mountain	Records storage	41
		694

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 2 March was \$3,262 as follows:

Recipients	Purpose	Amount paid (excl GST) \$
Allied Press Limited	Advertising	573
Department of Internal Affairs	Advertising	180
Iron Mountain New Zealand Limited	Advertising	8
NZME Publishing Limited	Advertising	1,088
Stuff Limited	Advertising	1,286
Credit card purchase	Data storage	126
		3,262

This amount was paid by the Liquidators during the six-month period ended 28 March 2021.

Changes to the basis for charging internal disbursements in the future

There has been no change in the basis of charging internal disbursements that will be charged to the liquidation in the future.

Matters that have contributed to the level of remuneration

The work undertaken is summarised above.

The Liquidators have made their standard enquiries and have concluded matters arising from these enquiries.

If you require any further information, please contact us.



Colin Owens

2 March 2022

Date

Appendix C.1

The total remuneration received in the liquidation (net of GST) between 28 September 2020 and 2 March 2022 was:

Level	Hourly rates \$	Description	Hours	Cost \$
Office Assistant	95	Statutory, Creditor & Professional Duties	0.6	55
			0.6	55
Administrator	125	Statutory, Creditor & Professional Duties	2.9	343
			2.9	343
Analyst	215	Statutory, Creditor & Professional Duties	14.1	3,035
			14.1	3,035
Senior Analyst	260	Protecting & Realising Assets	0.3	75
		Statutory, Creditor & Professional Duties	6.6	1,738
		6.9	1,813	
Manager	325	Statutory, Creditor & Professional Duties	0.1	31
			0.1	31
Associate Director	400	Protecting & Realising Assets	0.8	307
		Statutory, Creditor & Professional Duties	7.7	3,056
		8.5	3,363	
Director	500	Protecting & Realising Assets	1.1	528
		Statutory, Creditor & Professional Duties	2.5	1,248
		3.6	1,777	
Liquidator	475 - 550	Protecting & Realising Assets	4.2	2,108
		Statutory, Creditor & Professional Duties	44.7	22,594
		48.9	24,701	
Total Remuneration			85	35,118

Appendix C.2

The total Administrators' remuneration (net of GST) paid during the liquidation between 28 September 2020 and 2 March 2022 was:

Level	Hourly rates \$	Description	Hours	Cost \$
Office Assistant	95	Statutory, Creditor & Professional Duties	2.2	209
			2.2	209
Office Administrator	125	Investigation & Enforcement Statutory, Creditor & Professional Duties	0.5	62
			4.7	587
			5.2	650
Analyst	215	Investigation & Enforcement Protecting & Realising Assets Statutory, Creditor & Professional Duties	2.3	494
			0.5	107
			2.3	494
			5.1	1,096
Senior Analyst	260	Investigation & Enforcement Protecting & Realising Assets Statutory, Creditor & Professional Duties	2.1	546
			1.6	428
			11.7	3,041
			15.4	4,015
Associate Director	400	Investigation & Enforcement Statutory, Creditor & Professional Duties	1.5	600
			12.2	4,878
			13.7	5,478
Director	500	Investigation & Enforcement Protecting & Realising Assets Statutory, Creditor & Professional Duties	1.6	800
			2.4	1,200
			13.1	6,548
			17.1	8,547
Administrator	500 - 620	Investigation & Enforcement Protecting & Realising Assets Statutory, Creditor & Professional Duties	3.7	1,969
			5.0	2,641
			39.6	21,712
			48.3	26,322
Total Remuneration			107	46,317

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