

# NNS New Zealand Limited (In Liquidation)

Liquidators' six-monthly report and notices to creditors  
and shareholders

As at 28 September 2021

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

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. 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.

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

## 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

### Actions taken since commencement of the liquidation

The Liquidators have been completing an investigation into the financial affairs of the Company to ascertain any recoveries for the benefit of creditors. This includes ascertaining whether the debtors identified at the date of liquidation are collectable.

### Actions taken since the liquidators' previous report

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, it is envisaged that the Liquidators will 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.

The Liquidators have reviewed all creditor claims filed with a view to admitting them into the liquidation and making a distribution to creditors from the surplus funds held.

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 further proposed actions in the liquidation

The Liquidators will admit creditor claims filed in the liquidation and distribute the surplus funds held to creditors.

## Estimated completion date

It is now envisaged, subject to the distribution to creditors, that the liquidation could be completed within the next six months.

## Statement of affairs for company

The statement of affairs as at the date of the Liquidators' initial report and an updated statement of affairs for the company is detailed in **Appendix A**.

An updated list all know creditors of the Company is attached as **Appendix A.1**.

The reasons for any material differences between the information included in the updated statement and the information included in the previous statement is set out in the notes to the updated statement.

## Realisations and distributions

A statement of the realisations and distributions for the company since the commencement of the liquidation is detailed in **Appendix B**.

## 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, which is attached as **Appendix C**.

Upon liquidation, the funds that the Administrators were holding were transferred to the Liquidators. Pursuant to the Seventh Schedule of the Companies Act 1993, the Administrators have a priority for their unpaid remuneration and disbursements. These amounts are also recorded in the remuneration report attached as **Appendix C**.

## Interests statement

The Liquidators included an Interests Statement in their initial 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' initial report.

## Notice to secured creditors

Creditors holding a security interest over the Company's assets or having a retention of title or other claim over assets owned by or in the control of the Company who have not yet advised the Liquidators of their interest, or who have not received a letter from the liquidators concerning their interest, should contact the liquidators immediately.

## 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.

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

Dated: 27<sup>th</sup> October 2021



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Liquidator

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## Appendix A

### Statement of the Company's affairs and updates

All figures exclude GST.

	as at:	Liquidators Initial Report (GST excl) \$'000s	Estimated to 28 March 2021 (GST excl) \$'000s	Estimated to 28 Sept 2021 (GST excl) \$'000s
	Note			
<b>Assets at book or advised values*</b>				
Cash at bank	1	255	258	258
Trade debtors	2	7	0	0
Total assets		<u>262</u>	<u>258</u>	<u>258</u>
<b>Liabilities*</b>				
Unsecured preferential creditors	3	(1)	(1)	0
Total secured and preferential creditors		<u>(1)</u>	<u>(1)</u>	<u>0</u>
Estimated net before unsecured creditors		261	257	258
Unsecured creditors	4	(159)	(159)	(159)
Total unsecured creditors		<u>(159)</u>	<u>(159)</u>	<u>(159)</u>
<b>Calculated net balance (shortfall) to creditors prior to costs of the administration and liquidation</b>		<u><u>102</u></u>	<u><u>98</u></u>	<u><u>99</u></u>

#### Notes

- 1 No change to estimate at 28 March 2021
- 2 No change to estimate at 28 March 2021
- 3 No preferential creditors have filed a claim in the liquidation.
- 4 No change to estimate at 28 March 2021

**\*No provision has been made for costs of the administration or the liquidation**

## Updated list of known creditors

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Creditor Name	Creditor Address
BDO Auckland	Level 4, BDO Centre, 4 Graham Street, Auckland
IEP New Zealand Limited (In Liquidation)	C/- Deloitte, PO Box 2691, Wellington
STA Travel International Limited	C/- Rollings Butt LCP, 6 Snow Hill, London, UK

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## Appendix B

## 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	TOTAL \$ (GST excl)
<b>Opening Bank Balance (28 September 2020)</b>	<u>0</u>	<u>187,153</u>	<u>0</u>
<b>Realisations</b>			
Interest Net	169	231	400
Funds Transferred from Administration	<u>257,557</u>	<u>          </u>	<u>257,557</u>
<b>Total Receipts</b>	<u>257,726</u>	<u>231</u>	<u>257,957</u>
<b>Distributions</b>			
Legal Fees (Administration)	8,435	5,091	13,526
Liquidators' Fees	11,649	9,556	21,205
Liquidators' Disbursements	303		303
Administrators' Fees	46,317		46,317
Administrators' Disbursements	3,262		3,262
GST Net	<u>607</u>	<u>261</u>	<u>868</u>
<b>Total Payments</b>	<u>70,573</u>	<u>14,908</u>	<u>85,481</u>
<b>Closing Bank Balance (28 September 2021)</b>	<u><u>187,153</u></u>	<u><u>172,476</u></u>	<u><u>172,476</u></u>

### 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 David Owens and David Sean 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 28 September 2021 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;
- 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.



We have received remuneration of \$9,556 (net of GST) in part payment for the work performed in the six month period ended 28 September 2021 and prior periods.

The total remuneration we have received in the liquidation is \$21,204 (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 28 September 2021:

Disbursement	\$ (excl GST)
<b>Administrators Legal costs</b> (e.g. legal fees, expert witness costs, Court filing fees, digital transcription): Used to protect the company/liquidators and litigate	13,526
	<b>13,526</b>

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 28 September 2021 was \$303, 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
		<b>303</b>

No disbursements were paid by the Company to the Liquidators' firm (either directly or in reimbursement of a payment to a third party) in the six month period ended 28 September 2021.

## 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 28 September 2021 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
		<b>3,262</b>

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.



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Colin Owens

27<sup>th</sup> October 2021

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Date

## Appendix C.1

The total remuneration received in the liquidation (net of GST) between 28 September 2020 and 28 September 2021 was:

Level	Hourly rates \$	Description	Hours	Cost \$
Office Assistant	\$95	Investigation & Enforcement	0.4	36
		Statutory, Creditor & Professional Duties	0.8	73
			<b>1.2</b>	<b>109</b>
Office Administrator	\$125	Statutory, Creditor & Professional Duties	1.8	228
			<b>1.8</b>	<b>228</b>
Analyst	215	Statutory, Creditor & Professional Duties	8.7	1,876
			<b>8.7</b>	<b>1,876</b>
Senior Analyst	260	Statutory, Creditor & Professional Duties	5.0	1,296
			<b>5.0</b>	<b>1,296</b>
Manager	325	Statutory, Creditor & Professional Duties	0.5	146
			<b>0.5</b>	<b>146</b>
Associate Director	400	Protecting & Realising Assets	0.8	307
		Statutory, Creditor & Professional Duties	4.2	1,687
			<b>5.0</b>	<b>1,994</b>
Director	500	Investigation & Enforcement	0.5	240
		Protecting & Realising Assets	1.1	527
		Statutory, Creditor & Professional Duties	2.0	1,007
			<b>3.5</b>	<b>1,774</b>
Liquidator	475 - 550	Protecting & Realising Assets	4.2	2,104
		Statutory, Creditor & Professional Duties	23.1	11,677
			<b>27.3</b>	<b>13,781</b>
<b>Total Remuneration</b>			<b>53.0</b>	<b>21,204</b>

## Appendix C.2

The total Administrators' remuneration (net of GST) paid during the liquidation between 28 September 2020 and 28 September 2021 was:

Level	Hourly rates \$	Description	Hours	Cost \$
Office Assistant	95	Statutory, Creditor & Professional Duties	2.2	209
			<b>2.2</b>	<b>209</b>
Office Administrator	125	Investigation & Enforcement Statutory, Creditor & Professional Duties	0.5	62
			4.7	587
			<b>5.2</b>	<b>650</b>
Analyst	215	Investigation & Enforcement Protecting & Realising Assets Statutory, Creditor & Professional Duties	2.3	494
			0.5	107
			2.3	494
			<b>5.1</b>	<b>1,096</b>
Senior Analyst	260	Investigation & Enforcement Protecting & Realising Assets Statutory, Creditor & Professional Duties	2.1	546
			1.6	428
			11.7	3,041
			<b>15.4</b>	<b>4,015</b>
Associate Director	400	Investigation & Enforcement Statutory, Creditor & Professional Duties	1.5	600
			12.2	4,878
			<b>13.7</b>	<b>5,478</b>
Director	500	Investigation & Enforcement Protecting & Realising Assets Statutory, Creditor & Professional Duties	1.6	800
			2.4	1,200
			13.1	6,548
			<b>17.1</b>	<b>8,547</b>
Administrator	500 - 620	Investigation & Enforcement Protecting & Realising Assets Statutory, Creditor & Professional Duties	3.7	1,969
			5.0	2,641
			39.6	21,712
			<b>48.3</b>	<b>26,322</b>
<b>Total Remuneration</b>			<b>107.0</b>	<b>46,317</b>

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