



KUAKA NEW ZEALAND LIMITED (IN LIQUIDATION)

Company number: 2075835
NZBN: 9429032982077

Liquidators' Second Report to Creditors and Shareholders

Reporting Period: 13 October 2021 to 13 April 2022



1. Introduction

Kuaka New Zealand Limited (In Liquidation) (“the Company”) was placed into liquidation by special resolution of the shareholders on the 13th day of October 2021 at 1:35 pm. Kenneth Peter Brown (IP10) and Paul Thomas Manning (IP39), both Chartered Accountants and Licenced Insolvency Practitioners of Tauranga, were appointed as Joint and Several Liquidators of the company.

In addition to our statutory obligations, we are also bound by the RITANZ Code of Professional Conduct (“Code”) when carrying out all professional work relating to our appointment as Liquidators.

In accordance with section 255 (2)(d) of the Companies Act 1993 (“the Act”) we are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six month period.

This report should be read in conjunction with our previous report pursuant to section 255 (2)(d) of the Act.

2. Restrictions

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without our written permission in each specific instance.

We do not assume any responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

We reserve the right (but will be under no obligation) to review this report and if we consider it necessary to revise the report in the light of any information existing at the date of this report which becomes known to us after that date.

3. Conduct of the liquidation within the reporting period

3.1 Liquidation of the Company

The Liquidators advertised their appointment in the relevant publications and made a call for creditor claims. The Liquidators also directly contacted all known creditors and answered any queries they may have had. The Liquidators subsequently reviewed all completed creditor claim forms received.

The Liquidators have liaised with many parties including Inland Revenue, the Companies Office, the New Zealand Gazette and the Accident Compensation Corporation, and completed a review of all information received.

In the spirit of collaboration and trust with WorldStrides Higher Education and other creditors, D Farr and G Selkirk reject their status as secured creditors and join WorldStrides to be treated as unsecured status in the distribution of any claims from the liquidation settlement.

An issue was brought to our attention regarding ownership of some of the content on the Kuaka website. This content was subsequently removed from the website and the sale of the website was concluded.

3.2 Schedule of Receipts and Payments

Attached as Appendix 1 is a schedule of receipts and payments to 13 April 2022.

Attached as Appendix 2 is a remuneration schedule covering the duration of the liquidation.

3.3 Asset Realisations

Plant & Equipment

The Liquidators have realised the plant and equipment via auction. Two offers were received for the intellectual property of the company and the liquidators have also realised this.

Debtors

There were no debtors funds to collect, however refunds were received on hotel deposits paid.

3.4 Creditors Claims

Secured Creditors

One secured creditor claim was received and as shown in paragraph 3.1 above the security was not enforced and the creditor ranked as unsecured, which has allowed a dividend payment to other creditors.

Preferential Creditors

A full distribution has been for staff wages and the IRD preferential claim will be settled shortly.

Unsecured Creditors

At the date of this report unsecured creditor claims total \$59,276.08.

4. Statement of Affairs and Interests Statement

Attached as Appendix 3 is the Statement of Affairs of the Company. The information provided at the date of liquidation was prepared based upon financial statements of the Company as at 31 March 2021.

The revised statement of affairs considers asset realisations, creditor distributions and other liquidation costs to date. The information provided demonstrates our best understanding of the Company's position at this time given the information provided to the Liquidators and investigations that have taken place.

The changes to the Statement of affairs from the first report to this report were:

- Other assets not known initially but subsequently a sale was made of the website name
- No claim was received from the secured creditor Cirtex Industries Ltd, but the Liquidators understand there was little or nothing owing
- As noted in Para 3 above, a secured creditor elected to be classed as unsecured
- An IRD proof of debt was received which confirmed their outstanding debt
- The contingent claim shown in the first report statement of position has been agreed and is now shown as an unsecured creditor amount

Attached as Appendix 4 is an interests statement in accordance with section 255A and 255(2)(d)(ii) of the Act.

5. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions:



- continue to collect proceeds from travel credits owing to the company via the sale of credits through the travel agent;
- distribute available funds to preferential and unsecured creditors;
- comply with our statutory obligations.

6. Estimated date of completion

It is expected the Liquidators will complete the liquidation within the next six month reporting period.

7. Contact information

If you require any further information, please direct enquiries to:

Karen Ragg
Phone: 07 571 6280
Email: karen.ragg@bdo.co.nz

BDO Tauranga Limited
PO Box 15660
TAURANGA 3144

Level 1
525 Cameron Road
TAURANGA 3110

Dated this 10 May 2022

Kenneth Peter Brown
Joint Liquidator

Appendices

- Appendix 1 - Statement of Receipts and Payments
- Appendix 2 - Remuneration Schedule
- Appendix 3 - Statement of Affairs
- Appendix 4 - Interests Statement



APPENDICES

Appendix 1 - Summary of Receipts & Payments

Kuaka New Zealand Limited (In Liquidation)	
Summary of Receipts and Payments	
To 13 April 2022	
RECEIPTS	Total (NZD)
Funds on hand pre liquidation	24,952.38
GST on Income	3,956.94
Interest Received	37.40
Motor Vehicles	2,184.78
Office Equipment	728.26
Other Assets	4,347.83
Plant & Equipment	1,765.00
Refund of Hotel Deposits	17,353.71
	55,326.30
PAYMENTS	
Advertising	319.59
Auction Fees & Expenses	150.00
Commission on Sale of Assets	264.75
GST on Expenses	2,853.91
GST Paid/Refunded	1,189.73
Legal Fees	1,035.25
Liquidators Fees	16,686.96
PAYE	52.55
Preferential Employee Entitlements	325.45
Printing & Stationery	212.00
RWT	10.47
Storage	200.00
Telephone & Tolls	150.00
Travel & Mileage	7.54
	23,458.20
Balances in Hand	31,868.10
	55,326.30



Appendix 2 - Remuneration Schedule

Kuaka New Zealand Limited (In Liquidation)
Remuneration Schedule - Period 10 October 2021 to 10 April 2022

Time Costs (by position and work type)

	Hourly Rate	Asset Realisation		Administration		Creditors		Debtors		Staff Claims / Wages		IRD		Investigations		Legal Issues		Reporting		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Liquidators	400	5.92	2,366.70	7.14	2,853.33	6.56	2,626.66	0.17	66.67	0.34	133.34	1.42	566.67	5.83	2,333.33	4.17	1,400.00	-	-	31.55	12,346.70
Senior Manager	185	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Support Staff	110-155	2.58	377.92	24.99	3,513.62	2.66	402.49	-	-	0.75	108.75	1.16	154.18	-	-	1.50	217.49	2.25	308.76	35.89	5,083.21
Less Write offs																					
Total		8.50	2,744.62	32.13	6,366.95	9.22	3,029.15	0.17	66.67	1.09	242.09	2.58	720.85	5.83	2,333.33	5.67	1,617.49	2.25	308.76	67.44	17,429.91

This total includes time not yet invoiced

Disbursements

	Cost
Disbursement	
Advertising	319.59
General Expenses	569.54
Total	889.13



Appendix 3 - Statement of Affairs

Statement of Affairs of			
Kuaka New Zealand Limited			
As at the date of the appointment of the Liquidators			
being 13 April 2022			
	Note	As at 13-Apr-22	Initial Report
		\$	\$
Assets			
Cash on Hand		25,531	25,531
Plant and Equipment		4,678	3,803
Other Assets		4,348	
Accounts Receivable	1	-	4,110
Hotel Deposits Paid		17,366	17,366
Goodwill		-	0
		51,922	50,810
Less secured creditors:			
Cirtex Industries Limited		<i>Unknown</i>	<i>Unknown</i>
Gloria Selkirk, Douglas Farr	2	-	41,149
		-	41,149
Surplus before preferential & unsecured creditors		51,922	9,661
Preferential creditors:			
IRD - PAYE/GST		375	unknown
Staff Wages and holiday pay		378	378
		753	378
Unsecured creditors:			
Accounts payable	2	66,890	2,155
WorldStrides Higher Education	3	34,284	34,284
Unsecured staff claim		227	227
IRD - penalties & interest		23,510	21,997
		124,911	58,663
Estimated deficit (subject to costs of liquidation)		- 108,026	-83,664
Note 1: Worldstrides has a contingent liability, therefore this amount was offset			
Note 2: Agreement for claim to be treated as unsecured			
Note 3: The Liquidator rejected a portion of the total claim, with the balance shown as the accepted amount on which a dividend would be paid			
Disclaimer			
<i>This statement should be read in conjunction with the disclaimer on page one of the above</i>			
<i>Liquidators report and BDO have not audited the report and they, their</i>			
<i>directors or employees accept no liability to any other party in relying on the information presented.</i>			
<i>The purpose of the report is to give creditors of the company an indication of the financial position of</i>			
<i>the company as at the date of the appointment of the liquidators.</i>			

Appendix 4 - Interests Statement

Pursuant to section 255A of the Companies Act 1993

This Interests Statement is to be read in conjunction with the Liquidators' previous Interests Statement in their previous report.

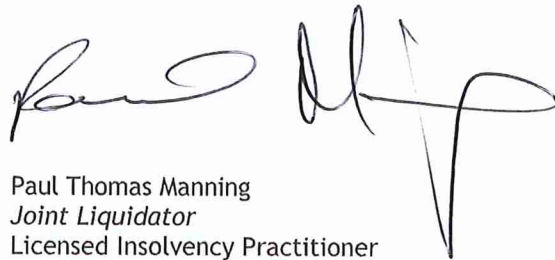
We, Kenneth Peter Brown and Paul Thomas Manning, both Chartered Accountants and Licenced Insolvency Practitioners of BDO Tauranga, declare that:

- We have made the appropriate inquiries that are required for ensuring that this Interests Statement is complete; and
- Since the date of our previous Interests Statement, we confirm that we have not become aware of any additional circumstance, relationship, or other fact that creates, or could reasonably be perceived as creating, a conflict of interest in relation to the independence of our role as Liquidators.

DATED this 10 May 2022



Kenneth Peter Brown
Joint Liquidator
Licensed Insolvency Practitioner
Registration Number: IP10



Paul Thomas Manning
Joint Liquidator
Licensed Insolvency Practitioner
Registration Number: IP39