



McDonald  
Vague

business recovery partners

## RRUU NZ LIMITED (IN LIQUIDATION)

### Liquidators' Third Report

For the period from 28 April 2021 to 27 October 2021

McDonald Vague Limited

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#### 1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of RRUU NZ Limited (In Liquidation) ("the company") on 28 October 2020.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This third report should be read in conjunction with the liquidators' previous report(s). This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is **attached**.

#### 2 RESTRICTIONS

Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

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

#### 3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Since appointment the liquidators have made enquiry with offshore entities to seek recovery of customer funds paid to an offshore account for travel. The advice is that the offshore entity has failed due to Covid-19. It is understood that formal bankruptcy proceedings have advanced and there is no prospect for recovery.

##### ***Asset Realisations***

##### ***3.1 Debtors***

***(Statement of Affairs: \$1,388,424)***

The commentary in this section is unchanged from the last report apart from our advice that the liquidators have recovered a contribution from the director of \$10,000 which will be distributed to creditors once a tax refund is recovered from a tax return filed in October.

As previously reported, the first report included a statement of affairs that recorded a sum owing of \$1.38 million. It has been established that the customers paid an offshore bank account and there are no funds held. RRUU had no transactions with customers. Customers booked travel through an international website and paid the international travel agent. RRUU entrusted an offshore entity to operate the tourism products for RRUU and incurred an agency operation fee obligation for this arrangement (which was not paid). The agent is a major creditor for unpaid costs from 2017 to 2020 year.

The director advised that after the guests finished their trip in New Zealand, the funds were released to RRUU to settle suppliers invoices.

RRUU received no funds from 25 November 2020. Travel however occurred after this date.

### **3.2 IRD Receivable** **(Statement of Affairs: \$7746)**

The liquidators have filed a tax return and are seeking a tax refund.

### **3.3 Bank Account** **(Statement of Affairs \$52)**

The sum of \$52 was recovered following bank account closure.

## **4 INVESTIGATIONS**

The liquidators have completed their investigations into the books, records and affairs of the company. The liquidators sought a contribution from the offshore director and have recovered \$10,000 being the total funds he held in a personal NZ bank account. The director has advised he has no further means to contribute anything further and has also suffered significant loss arising from Covid-19. He is of the view the company failed as a result of Covid and the bankruptcy of the offshore entity that contracted with the customers directly. The offshore company owed significant moneys to RRUU at the time it failed. No recovery has been made.

## **5 CREDITORS' CLAIMS**

### **5.1 Preferential Creditors**

The Inland Revenue Department has not submitted a claim and is not a creditor.

### **5.2 Unsecured Creditors**

As at the date of preparing this report 39 unsecured creditors claim forms have been received which total \$2,639,629. The liquidators have now admitted claims and agreed with the offshore related entity that their claim for \$1,434,385 is subordinated (3 years of unpaid agency fees). The liquidators will be in a position to pay a small distribution to participating creditors following receipt of the pending tax refund. The distribution is estimated to be about 1 cent in the dollar on admitted claims.

## **6 FUNDS / LIKELY OUTCOME**

There will be a short fall on the amount due to creditors.

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## 7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- IRD refund and then distribution to creditors (approx. 1 cent in dollar distribution)
- Completion of liquidation

## 8 ESTIMATED DATE OF COMPLETION

The liquidation should be completed last this year.

## 9 CONTACT DETAILS

Enquiries should be directed to Yvonne Wei on DDI +64 (9) 969 5352 or by email to [ywei@mvp.co.nz](mailto:ywei@mvp.co.nz).

The Liquidators can be contacted at:

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Peri M Finnigan  
LIQUIDATOR (Licence No: IP17)

Dated this 18<sup>th</sup> day of November 2021

# Realisations and Distributions

RRUU NZ Limited (In Liquidation)			
28 October 2020 to 27 October 2021			
			<b>27/10/2021</b>
<b>Realisations</b>			
Advance - upfront fee			9,200
Contribution from Director			10,000
Bank Account Closure			52
<b>Total Realisations</b>			<b>19,252</b>
<b>Payments</b>			
<b>Liquidators Fees</b>			
Liquidators Fees			9,126
Disbursements			-
<b>Total Liquidators Fees</b>			<b>9,126</b>
<b>Distributions</b>			
Preferential GST and PAYE			-
Dividends to Unsecured Creditors			-
<b>Total Distributions to Unsecured Creditors</b>			<b>-</b>
<b>Total Payments</b>			<b>9,126</b>
<b>BALANCE HELD</b>			<b>10,126</b>