



McDonald  
Vague

business recovery partners

## T1 Holdings Limited (In Liquidation)

# Liquidators' Third Report For the period from 9 January 2019 to 8 July 2019

McDonald Vague Limited

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### 1 INTRODUCTION AND APPOINTMENT

Iain McLennan and Colin Sanderson, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of T1 Holdings Limited ("the company") on 9 July 2018, by the High Court in Hamilton.

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 reports. This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

Statements of Realisations and Distributions, in relation to each of the currencies held, are **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

The course of events that eventuated in our appointment as liquidators by the High Court was set out in detail in the first report.

Total funds recovered, in all currencies, to 8 July 2019 are as follows –

<u>Currency</u>	
USD	1,188,381
EUR	500,876
GBP	100,500
CAD	11,203
NZD	565,157

Funds held in the company's account with OCBC, Singapore were released from the Police freezing order and have been paid to us.

The liquidation of Retail Guru Limited (In Liquidation) has been completed and a distribution has been received by the company of \$358,360.

The liquidation of T1 Operations Pte Ltd in Singapore is being completed. The amounts held in the accounts in the name of T1 Ops were in USD, SGD and HKD. All amounts have been converted to SGD by the liquidators.

The company had filed a claim in that liquidation and is to receive a distribution of SGD32,330.13. By agreement with Worldclear Limited, who also filed a claim, the amount to be distributed to Worldclear Limited pursuant to their claim will be paid to the company.

Included in the unauthorised transactions on 18 May 2018, were payments of EUR50,000 and EUR200,000 from T1 Holdings' account at OCBC, Singapore, to WB21 UAB (Lithuania).

Prior to the 18 May transaction, Police in Lithuania had commenced an investigation into WB21 and had placed freezing orders on the accounts, stopping any withdrawals but allowing for deposits to be made. The transactions made by Mr Whitham were deposited to the WB21 accounts and were caught by the freezing orders. The Police in Lithuania are yet to decide whether those funds are relevant to their investigation or if they can be released.

We initiated legal action in Lithuania to freeze the funds so that they cannot be dissipated and then to recover funds for the benefit of the creditor. Those proceedings are on-going.

Funds were also paid from the OCBC account to entities or individuals in South Africa and America. In both cases application was made to have the accounts frozen and these were granted, however the funds had already been transferred out of the accounts.

Legal proceedings in South Africa has been discontinued because they were not considered cost effective and no further action is being taken to try and recover the funds transferred to America.

## **4 INVESTIGATIONS**

The liquidators are continuing their investigations into the books, records and affairs of the company.

## **5 CREDITORS' CLAIMS**

### **5.1 Secured Creditors**

There have been no secured claims received.

### **5.2 Preferential Creditors**

There have been no preferential claims received.

### 5.3 Unsecured Creditors

As at the date of preparing this report one unsecured creditor claim form has been received from Worldclear Limited for the sum of \$4,541,858 being the amount ordered in a Judgement obtained by Worldclear against the company.

As recorded in the attached Statements of Realisations and Distributions, dividends have been paid to the unsecured creditor as follows:-

- New Zealand Dollars      NZ    \$111,325
- US Dollars                    USD \$1,015,305
- Canadian dollars          CAD    \$11,203
- Euros                            EUR    €222,654
- Pound Sterling            GBP    £100,500

## 6 LIQUIDATORS' FEES

Liquidators' fees accrued to the date of this report are \$109,193.94 including GST (\$94,951.26 excluding GST). The fees are based on 382.17 hours of work undertaken as follows:

<b>Work Category</b>	<b>Hours</b>	<b>\$</b>
Appointment functions	37.55	8,189
Asset realisations	61.32	20,920
Creditors' claims, enquiries and reports	20.85	5,586
Management & Taxation	146.12	33,171
Investigations	116.33	27,085
<b>Total</b>	<b><u>382.17</u></b>	<b><u>\$94,951</u></b>

Liquidators' fees in a Court ordered liquidation are to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

## 7 FUNDS / LIKELY OUTCOME

It is expected that there will be further distributions to the unsecured creditor.

## 8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Receipt of funds by way of distribution from the liquidation of T1 Operations Pte Ltd in Singapore
- Completion of legal proceedings and funds recovery in Lithuania
- Completion of enquiries

## 9 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators are unable to estimate when the liquidation will be completed.

## 10 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI (07) 838 0908 or by email to [CSanderson@mvp.co.nz](mailto:CSanderson@mvp.co.nz).

The Liquidators can be contacted at:

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IAIN MCLENNAN  
LIQUIDATOR

DATED this 9<sup>th</sup> day of July 2019

# Realisations and Distributions

## T1 Holdings Limited (In Liquidation) - NZ Dollar Account 9 July 2018 to 8 July 2019

	Cash Received \$
<b>Realisations</b>	
T1 Operations liquidator funding returned	10,502
Bank account closure	165,948
From N Bartrum - Retail Guru	10,000
Transfer from T1 Holdings OCBC account	30,849
Transfer from T1 Holdings EUR account	113,157
Transfer from T1 Holdings USD account	119,140
Interest	1,071
Distribution - Retail Guru	358,360
<b>Total Realisations</b>	<b>\$809,027</b>
<b>Payments</b>	
<b>Liquidators Fees</b>	
Liquidators fees	108,095
Disbursements	2,893
<b>Total Liquidators Fees</b>	<b>\$110,988</b>
<b>Other Costs of Liquidation and Trading On</b>	
Legal fees	500,252
Legal fees - Lithuania	17,757
Legal fees - Singapore	32,250
Travel expenses	7,119
Resident Withholding tax on interest	300
Bank fees	45
<b>Total Costs of Liquidation and Trading On</b>	<b>\$557,723</b>
<b>Distributions</b>	
Dividend to unsecured Creditor	111,325
<b>Total Distributions to Unsecured Creditors</b>	<b>\$111,325</b>
<b>Total Payments</b>	<b>\$780,036</b>
<b>BALANCE HELD</b>	<b>\$28,991</b>

Note: the above figures are GST inclusive

# Realisations and Distributions

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## T1 Holdings Limited (In Liquidation) - EUR Account 9 July 2018 to 8 July 2019

Realisations	Cash Received \$
Bank account closures New Zealand and Lithuania	500,876
<b>Total Realisations</b>	<b>\$500,876</b>
<b>Payments</b>	
<b>Costs of Liquidation</b>	
Legal costs - South Africa	12,104
Bank fees	118
<b>Total Costs of Liquidation and Trading On</b>	<b>\$12,222</b>
<b>Distributions</b>	
Transfers to T1 Holdings - NZD account	66,000
Transfers to T1 Holdings - USD account	200,000
Dividend to Unsecured Creditor	222,654
<b>Total Distributions to Creditors</b>	<b>\$488,654</b>
<b>Total Payments</b>	<b>\$500,876</b>
<b>BALANCE HELD</b>	<b>\$Nil</b>

**Note:** the above figures are GST inclusive

# Realisations and Distributions

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## T1 Holdings Limited (In Liquidation) - USD Account 9 July 2018 to 8 July 2019

Realisations	Cash Received \$
Bank account closure - New Zealand	225,548
Bank account closure - Lithuania	249,984
Transfer from T1 Holdings EUR account	231,720
From T1 Holdings OCBC account	712,849
Interest	361
<b>Total Realisations</b>	<b>\$1,420,462</b>
<b>Payments</b>	
<b>Costs of Liquidation and Trading On</b>	
Funds to solicitor's trust account for Preservation Orders	252,086
Transfer to NZD account	80,255
Legal costs - Singapore	24,854
Legal Costs - Lithuania	20,743
Legal Stamp Duty - Lithuania	3,507
Retain to Liquidators of T1 Operations Pte Ltd Singapore	7,253
Bank fees	15
Withholding Tax	101
<b>Total Costs of Liquidation and Trading On</b>	<b>\$388,814</b>
<b>Distributions</b>	
Dividend to Unsecured Creditor	1,015,305
<b>Total Distributions to Creditors</b>	<b>\$1,015,305</b>
<b>Total Payments</b>	<b>\$1,404,119</b>
<b>BALANCE HELD</b>	<b>\$16,343</b>

Note: the above figures are GST inclusive

# Realisations and Distributions

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## T1 Holdings Limited (In Liquidation) - GBP Account 9 July 2018 to 8 July 2019

Realisations	Cash Received \$
Bank account closure - New Zealand	100,500
<b>Total Realisations</b>	<b>\$100,500</b>
<b>Payments</b>	
<b>Distributions</b>	
Dividend to unsecured creditor	100,500
<b>Total Distributions to Creditors</b>	<b>\$100,500</b>
<b>Total Payments</b>	<b>\$100,500</b>
<b>BALANCE HELD</b>	<b>\$Nil</b>

**Note:** the above figures are GST inclusive



# Realisations and Distributions

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## T1 Holdings Limited (In Liquidation) - Canadian Dollar Account 9 July 2018 to 8 July 2019

<b>Realisations</b>	<b>Cash Received</b> <b>\$</b>
Bank account closures New Zealand and Belgium	11,203
<b>Total Realisations</b>	<b>\$11,203</b>
<b>Payments</b>	
<b>Distributions</b>	
Dividend to unsecured creditor	11,203
<b>Total Distributions to Creditor</b>	<b>\$11,203</b>
<b>Total Payments</b>	<b>\$11,203</b>
<b>BALANCE HELD</b>	<b>\$Nil</b>

**Note:** the above figures are GST inclusive