



**WEAREBAMBOO LIMITED (IN LIQUIDATION)  
("Company")**

Company number: 5926953

New Zealand Business Number: 9429042255697

**Liquidators' Six-Monthly Report to Creditors and Shareholders**

## 1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow, Licensed Insolvency Practitioners of BDO Wellington, (Registration Numbers: IP71 and IP75 respectively) were appointed joint and several liquidators (“Liquidators”) of Wearebamboo Limited (“Company”) on 2 December 2022 at 9:00am by special resolution of the shareholders in accordance with section 241(2)(a) of the Companies Act 1993 (“the Act”).

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 of 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(s) 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. Background

The Company operated as a travel agency offering tours initially throughout South East Asia before expanding to several other countries. These tours were typically centred around a philanthropic element such as volunteering in the community they were touring. These were conducted with the assistance of various business partners in the respective countries.

The Company’s customer base is primarily based in either the UK, the US or Australia. Few of the customers were from New Zealand.

As with many other businesses in the travel and tourism sectors, the Company felt the pressures of the Covid-19 travel restrictions and was required to push out several planned tours throughout 2020 and 2021.

We are advised some customers were not pleased with continued delays and requested refunds which the Company rejected on the grounds of their terms of trade. Negative perception associated with this caused a downturn in bookings and therefore cash flow.

The director made the decision to cease trading on 31 October 2022. This was not well received by those affected who continued to request refunds for tours that had been paid for in advance and in some instances initiated proceedings in the Disputes Tribunal. A considerable number of disputes were lodged with banks and financial institutions and we understand many of these were accepted and paid.

The Company was not in a position to refund the deposits paid and therefore sought appropriate insolvency advice. The shareholders subsequently resolved to place the Company into liquidation.

#### 4. Conduct of the Liquidation in the Reporting Period

##### 4.1. Liquidation of the Company

The Liquidators advertised their appointment in the relevant publications and made a call for creditor claims.

The database that the Company used was impractical to extract information about which customers had paid deposits - there was no clear list of creditors, largely due to the database system being over 12 years old. We were advised that to produce such a list would require manual extraction of individual creditors and the volume of creditors was such that this would not be practical.

We therefore did an initial notification to two separate groups:

- 2,316 individuals who we were advised had a travel date booked who received a full copy of the report; and
- 5,898 individuals who had interacted with the website since 2020, but we couldn't confirm if they were in fact creditors. These individuals were asked to contact us if they were creditors, and they were then subsequently sent the initial report and details of the liquidation.

We have attempted to respond to every email received however this is not always possible. The content of these emails contained a number of questions we have summarised in **Appendix 5** as a list of FAQs. All future correspondence will be sent to our mailing list including everyone that has submitted claims in the liquidation.

##### *Complaints to Legal Authorities*

We understand that complaints were filed with three legal authorities in New Zealand, these being:

- The New Zealand Police;
- The Commerce Commission; and
- The Serious Fraud Office.

It is our understanding that the New Zealand Police have closed their investigation, leaving this to other New Zealand regulatory bodies.

The Commerce Commission and Serious Fraud Office have suspended their investigations pending the outcome of the liquidation, however they continue to take an active interest in the liquidation's progression. We have met with both organisations on several occasions and provided them with the results of our findings. We are not privy to the investigations of these regulatory bodies and therefore we are not in a position to comment any further. We will provide information to these bodies if and when we are obligated to, noting that there is potentially conflicting obligations under the Privacy Act 2020.

Additionally, we have conducted a statutory examination of the director under oath pursuant to s 261 of the Act following our investigations into the trading of Cryptocurrencies with the Company's funds. This is discussed further below.

All currency referred in this report is in New Zealand Dollars unless specified otherwise.

## 4.2. Schedule of Receipts and Payments

Attached as **Appendix 1** is a schedule of receipts and payments for the six-month period.

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

## 4.3. Asset Realisations

### *Pre-Liquidation Funds*

The Liquidators received \$116,380 from the Company's bank account at their appointment.

## 4.4. Creditor Claims

### *Secured and Preferential Creditors*

No secured or preferential claims have been received from creditors in the liquidation. We expect this to remain the case for the duration of the liquidation.

### *Unsecured Creditors*

The below table outlines the total creditor claims we have received to date.

	Claims Received	Value in Local Currency	Exchange Rate <sup>1</sup>	Adjusted to NZD
USD	453	1,033,830	1.5703	1,623,423
CAD	29	83,944	1.1576	97,174
GBP	58	123,937	1.9168	237,563
EURO	1	2,074	1.6428	3,407
AUD	25	82,927	1.0692	88,665
NZD	3	11,028	1.0000	11,028
Unknown <sup>2</sup>	562	1,279,042	-	1,970,815
<b>Total</b>	<b>1,131</b>	<b>2,616,782</b>	<b>-</b>	<b>4,032,075</b>

Notes:

1. The exchange rate used is an estimate of the exchange rate at the date of liquidation, 2 December 2022, and is not an exact rate that may be used when admitting creditor claims.
2. These are claims that have been submitted that do not specify a currency. To calculate the approximate value in NZD, the balance is split proportionally to those in which the currency is specified and then used the exchange rate accordingly.

The claims received average approximately \$3,565 per claim. All claims to date have been for tours that were booked by customers, except for one which is unsecured loan that was provided to the Company.

Many creditors have been reimbursed by their credit card providers in line with their chargebacks policy for services or products paid for but not received. When a chargeback is initiated by a financial institution, it is our understanding that it is the merchant services provider who is liable to provide the funds for the chargeback, who then seek to recoup the balance from the debtor (in this case the debtor is the Company).

The Company used two merchant services providers; PayPal and Stripe (which included both a NZD and a USD account). The most recently available data for these accounts (in around April 2023) shows these accounts overdrawn as follows:

Merchant Services Provider	Overdrawn Balance (Local Currency)	Adjusted to NZD <sup>1</sup>
PayPal (USD)	191,360	300,493
Stripe (USD)	820,877	1,289,023
Stripe (NZD)	61,545	61,545
<b>Total</b>	<b>1,073,782</b>	<b>1,651,061</b>

Notes:

1. Using the exchange rates outlined in the previous table.

We have not been provided with a list of customers that have been reimbursed from either PayPal or Stripe and therefore have not yet reconciled what percentage of the claims received would be subrogated to PayPal or Stripe. We will only take this step in the event we are in a position to make a distribution to creditors so as to avoid any unnecessary costs.

We understand many chargebacks were declined, primarily for being out of the chargeback allowance period which appears to be a standard of 180 days from the date of purchase.

#### 4.5. Investigations

##### *Cryptocurrency and Forex Trading*

The primary focus of our investigations have been into the trading of cryptocurrency with the use of Company funds from about October 2020 until mid-2022. The director has supplied full access to the various cryptocurrency platforms allowing us to extract and analyse the relevant data and transactions.

The Director conducted some surface level due diligence into foreign exchange and cryptocurrency trading including some verbal discussions with his accountant and a cryptocurrency consultant. The Director claims there was legitimate concern about the US dollar's ability to hold its value, and that there was significant uncertainty during this period about the length of the travel restrictions and inflationary threats. His concern was that the cost of operating tours would significantly outweigh the funds available at a date in the future when tours could resume.

The bulk of the trading occurred from October 2020 onwards.

85 deposits were made to a popular cryptocurrency exchange netting a balance of \$2,153,427 USD after adjusting for the occasional withdrawal back to the Company's bank account. We understand these funds have been entirely lost.

Once the funds had been deposited to the exchange, over 59,000 transactions occurred either buying or selling up to 27 cryptocurrencies. It appears that the value has been lost through either:

- Capital losses;
- Trading losses; or
- Lost through fraudulent cryptocurrency platforms (discussed below).

##### *Fraudulent Platforms*

The director invested into four different fraudulent schemes which we understand cost the Company as much as \$800,000 USD. It appears the director took reasonable steps to attempt to recover these funds however, as they were funded via Bitcoin and Ethereum, the transactions were irreversible.

### *Statutory Examination*

The director was summonsed to a statutory examination under oath pursuant to s 261 of the Act which occurred on 31 May 2023.

Of key interest is how the various cryptocurrency and forex platforms interacted with each other. Deposits in the platforms are simply recorded as withdrawals from the main exchange, and unfortunately these platforms do not have comprehensive transaction histories to be able to reconcile the deposits with the withdrawals from the exchange.

The director is preparing a comprehensive reconciliation report for the inter-platform transactions that we expect will answer the remaining questions we have about the platform withdrawals.

We expect our future meetings with the Commerce Commission and Serious Fraud Office will determine our next steps in respect of this conduct. Separate reports to creditors will be issued when material updates arise.

In the event that the liquidators believe that the director has breached their duties the remedies available to the liquidators will be either a settlement agreement with the director, or through the Courts as a breach of directors' duties under part 8 of the Companies Act 1993. If action through the Courts is necessary, there are various elements that need to be proved in order to obtain a judgment in favour of a liquidator.

Also discussed at this meeting was the director's fees that were being offset against a shareholder current account in a significant credit position. We believe these could be voidable payments and may give rise to a debt owed to the Company.

### *Insurance*

We understand many customers had purchased travel insurance through the Company that was underwritten by Chubb Insurance. The travel insurance never covered company insolvency, and we understand the policy only came into effect once a customer had begun their journey.

We are aware that the insurance lapsed in February 2020. The director has confirmed under oath that customers were at all times insured when travelling, however we have not reviewed documentation to support this claim.

There are also allegations that certificates of currency were doctored to include traveller's names and travel periods. This information will be referred to the Commerce Commission and Serious Fraud Office who will determine whether further action is appropriate.

Claims for travel insurance premiums will be admitted in the liquidation.

## **5. 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 **30 September 2022**.

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.

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

## **6. Further Proposals for Completing the Liquidation**

The Liquidators propose to take the following further actions:

- continue a review the actions of management, directors, officers and advisers of the Company and any potential claims against them;
- Take steps to recover payments that are considered voidable pursuant to s 292 of the Act;
- distribute available funds (if any) to unsecured creditors;
- assessing other areas of potential recovery; and
- complying with our statutory obligations.

The Liquidators will consider further actions subsequent to additional information regarding the Company's affairs that comes to the Liquidators' attention. Further actions will be subject to the availability of funding and an assessment of the benefits of pursuing recoveries.

## **7. Estimated Date of Completion**

It is not practical to estimate the date of the completion of the liquidation at this stage. Our subsequent reports to creditors will, when appropriate, advise of an estimated completion date.

## **8. Contact Information**

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

Ryan Kilkolly  
DDI: (+64 4) 472 5812  
Email: bamboo.liquidators@bdo.co.nz

BDO Wellington  
PO Box 10-340  
Level 1, Chartered Accountants House  
50 Customhouse Quay  
Wellington

Dated this 23<sup>rd</sup> day of June 2023



**IAIN SHEPHARD**  
Liquidator

### ***Appendices***

Appendix 1 - Statement of Receipts and Payments

Appendix 2 - Remuneration Schedule

Appendix 3 - Statement of Affairs

Appendix 4 - Interests Statement

Appendix 5 - Frequently Asked Questions

## APPENDICES

### Appendix 1 - Statement of Receipts and Payments

Wearebamboo Limited (In Liquidation)	
Summary of Receipts & Payments	
2 December 2022 - 7 June 2023	
\$	
<b>RECEIPTS</b>	
Inland Revenue - GST Refunds	8,742
Interest	943
Proceeds of Pre-Liquidation Bank Account	116,380
<b>Total Receipts</b>	<b>126,065</b>
<b>PAYMENTS</b>	
Legal Fees	9,775
Liquidators' Costs and Disbursements	107,772
Resident Withholding Tax	311
<b>Total Payments</b>	<b>117,858</b>
<b>Cash on hand</b>	<b>8,207</b>





## Appendix 2 - Remuneration Schedule

### Wearebamboo Limited (In Liquidation)

Remuneration Report - Period: 2 December 2022 - 7 June 2023

	Hourly Rate (\$)	Assets		Company Records		Creditors		Day One/Initial Tasks		Debtors		Employees		Financial		Admin/General	
		Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours
Partners	445 - 550	-	-	-	-	1,485.00	3.00	4,826.25	9.75	-	-	-	-	278.66	0.53	1,871.83	3.77
Managers	280 - 385	367.50	1.50	1,227.75	4.62	10,837.25	42.63	1,556.25	6.25	210.00	0.75	-	-	200.00	0.50	2,800.00	10.75
Analysts	110 - 245	-	-	1,050.00	7.00	4,387.50	29.25	37.50	0.25	-	-	-	-	-	-	37.50	0.25
Finance / Administration	195	97.50	0.50	-	-	14,482.00	74.27	-	-	-	-	-	-	497.25	2.55	3,695.25	18.95
Support Staff	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	0.10
		465.00	2.00	2,277.75	11.62	31,191.75	149.15	6,420.00	16.25	210.00	0.75	-	-	975.91	3.58	8,420.58	33.82

	Hourly Rate (\$)	Investigations		Litigation		On-Going Trading		Planning/Review		Secured Creditors		Reporting		Retirement		Total	
		Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours
Partners	445 - 550	10,326.25	19.00	495.00	1.00	-	-	522.50	1.00	-	-	866.25	1.75	-	-	20,671.74	39.80
Managers	280 - 385	26,328.75	94.00	638.75	2.50	-	-	1,933.75	6.25	-	-	7,027.25	26.88	-	-	53,127.25	196.63
Analysts	110 - 245	-	-	-	-	-	-	48.75	0.25	-	-	-	-	-	-	5,561.25	37.00
Finance / Administration	195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,772.00	96.27
Support Staff	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	0.10
		36,655.00	113.00	1,133.75	3.50	-	-	2,505.00	7.50	-	-	7,893.50	28.63	-	-	98,148.24	369.80

Disbursements	Costs
Advertising	404.66
Miscellaneous	412.61
Overheads	-
Travel Costs	-
<b>Total</b>	<b>817.27</b>

**Note:** The hours and costs shown in the table above are the actual WIP totals to date. All totals are exclusive of GST. Payment of \$93,715 (excl. GST) has been received on account for both fees and disbursements.

### Appendix 3 - Statement of Affairs

Wearebamboo Limited (In Liquidation)			
Statement of Affairs		Initial Report	As at 7 June 2023
	Notes	Book value*	Book value / Estimated Recovery
<b>Assets available for creditors</b>			
Voidable Transaction or Liquidators Actions	1	-	unknown
Bank Accounts		116,264	8,207
		<b>116,264</b>	<b>unknown</b>
<b>Less Unsecured creditors:</b>			
Customer Deposits and Up Front Payments	2	unknown	(4,032,075)
Merchant Services Providers	2	-	(1,651,061)
Unsecured Loans		(38,392)	(38,392)
		<b>unknown</b>	<b>unknown</b>
<b>Overall surplus/(shortfall) for Creditors prior to costs of liq.</b>		<b>unknown</b>	<b>unknown</b>

*\*Based on financial statements as at 30 September 2022*

*The above amounts are subject to the costs of liquidation*

Notes:

- 1 As explained in the report, we are still assessing what the best method of recovery is for these actions, with the nature of such recoveries being uncertain in terms of value.
- 2 This balance only relates to claims that have been received to date, and as explained in the report, does not account for any crossover in claims where chargebacks have been approved by the merchant services providers.

## 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(s).

We, Iain Bruce Shephard and Jessica Jane Kellow, Licensed Insolvency Practitioners of BDO Wellington, (Registration Numbers: IP71 and IP75 respectively), 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 7<sup>th</sup> day of June 2023



**IAIN BRUCE SHEPHARD**  
Liquidator  
Licensed Insolvency Practitioner  
Registration Number: IP71



**JESSICA JANE KELLOW**  
Liquidator  
Licensed Insolvency Practitioner  
Registration Number: IP75

## Appendix 5 - Frequently Asked Questions

**Question:** *Why is this taking so long?*

**Answer:** There are many different aspects to a liquidation that contribute to its length. The below factors are the primary contributors to this specific liquidation's length:

1. We have received close to 4,000 emails from customers of the Company dealing with a wide variety of issues which can be very time consuming. We have tried our best to respond to every single email;
2. The liquidation of the Company is complex, involving a vast number of transactions in cryptocurrencies that require reconstruction and investigations;
3. We are unable to control the response time of various third parties when requests are made; and
4. The Company's assets were not tangible assets that could simply be sold as soon as we were appointed (with the exception of its cash in the bank). Recoveries can only be made through statutory provisions in the Act which would ordinarily require litigation at considerable time and cost.

**Question:** *Am I getting a refund?*

**Answer:** We are not able to determine this until we know what funds are available to distribute to creditors (if any). These factors are the primary causes of uncertainty when assessing likely recoveries:

1. If an out of Court settlement can't be reached (depending on what causes of action we believe are available), then we will be required to pursue recoveries through the Courts which is obviously extremely costly, risky, and protracted.
2. The directors' personal wealth is unknown. A judgment received is worthless unless there are sufficient assets to pay the judgment.
3. The considerable time and cost a distribution is expected to take (discussed further below), meaning we will need to have recovered considerable funds to make this possible.

**Question:** *How long will it take me to get my refund?*

**Answer:** If we end up with sufficient funds to enable a distribution to creditors, the following steps will be followed to conduct a distribution:

1. Send out additional communication to the wider group of creditors in case some claims have not yet been submitted.
2. Wait an appropriate amount of time for additional creditor claims to be received (this date will be published in writing in communication to all creditors). I note a date has previously been set for the 'final date' to receive creditor claims which was 20 January 2023. This date was set as part of our public advertising pursuant to Regulation 12 to the Companies Act 1993 Liquidation Regulations 1994. Liquidators have the ability to accept claims after this date, which we intend to continue to do for the time being.
3. Liaise with Stripe and PayPal to reconcile claims received with those that were reimbursed by their credit card providers.
4. Contact creditors that have submitted incomplete creditor claim forms for additional information.
5. Go through the claims admission process where individual claims are reviewed for the merit and either accepted or rejected.
6. Pay distributions.

We are unable to provide a timeframe estimate for this process at this time.

**Question:** *Why do I need to provide a bank account number?*

**Answer:** New Zealand banks no longer offer the ability to issue cheques, and the merchant facilities used to accept credit card payments are no longer active. Distributions will only be made via wire transfer. This information is stored internally and not provided to any other parties pursuant to the Privacy Act 2020. If you have submitted a claim and omitted the bank information, you will not be eligible to receive a refund until this is provided.

**Question:** *Am I a preferential creditor?*

**Answer:** A preferential creditor is someone that, under law, gets priority to be paid ahead of other people. In almost all cases in New Zealand, these people are employees that are owed wages or holiday pay, and Inland Revenue tax debts. We do not expect there to be any preferential creditors in this liquidation.

**Question:** *Do the banks get paid before me?*

**Answer:** There are no secured or preferential creditors in the liquidation. This means all claims received to date rank equally and will be paid first in any distributions.

**Question:** *How is my distribution calculated?*

**Answer:** Because all of the creditors rank equally, distributions are paid *pari passu* (i.e. in proportion to the amount you are owed).

To use a basic example:

Distribution Amount	\$500,000
Total Creditors	\$3,000,000
<hr/>	
% Return to Creditors	16.67%
My Claim	\$10,000
<hr/>	
My Distribution in the Liquidation	\$1,667

In this example, if someone had a claim of \$10,000 they would receive a distribution of \$1,667 because all creditors were receiving 16.67% of the value of their claim. ***This is an example only. This does not constitute any commitment to or certainty that there will ever be a distribution to creditors.***

**Question:** *If I have filled out the claim form incorrectly will I still be included in any distributions?*

**Answer:** You will not be penalised if you have ticked a wrong box or otherwise filled out the claim incorrectly. You do not need to resubmit your claim unless you are specifically contacted to advise you need to.

**Question:** *Will you be taking criminal actions against the director?*

**Answer:** It is not a liquidator's position to take criminal charges against a director. This is handled through various Government agencies. We will cooperate with investigators where we are obligated to, however we are not privy to the investigations and will therefore not be in a position to discuss how these matters proceed (if at all).

**Question:** *Why was I not notified of the liquidation?*

**Answer:** As explained at the start of this report, the Company used an older database system that did not enable a simple extract of information to give us a list of creditors. We attempted to contact all customers we expected would be affected which included 8,214 individuals. You may not have received contact because:

- You had not made contact or otherwise interacted with the Company since 2019;
- The email bounced back to us if your inbox was full (or for any other reason);
- You have changed email addresses; or
- The email went to your junk folder (which we are aware happened to many people).