



McGrathNicol

**McGrathNicol Limited**

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## Best Pacific Institute of Education Limited (In Liquidation) (Company)

Company number 646909

NZBN 9429038610509

Liquidators' report (pursuant to s255 of the Companies Act 1993)  
For the period 1 December 2020 to 31 May 2021

### 1. Appointment

Conor McElhinney and William Black (**Liquidators**) were appointed jointly and severally as liquidators of the Company on 1 December 2017 by special resolution of the Company's shareholders. On 26 September 2019, William Black retired as liquidator of the Company and Kare Johnstone was appointed as replacement liquidator on the same day.

The Liquidators are Licensed Insolvency Practitioners pursuant to the Insolvency Practitioners Regulation Act 2019. Liquidators of insolvent companies are required to be licensed insolvency practitioners. You may obtain more information regarding the regulation of insolvency practitioners from the Registrar of Companies.

The Liquidators are members of the Restructuring Insolvency and Turnaround Association of New Zealand Inc (**RITANZ**) and accordingly act in compliance with the RITANZ Code of Professional Conduct, a copy of which can be located on RITANZ's website ([www.ritanz.org.nz](http://www.ritanz.org.nz)).

### 2. Disclaimer

The purpose of this report is to report to the creditors and shareholders in accordance with Section 255 of the Companies Act 1993 (**Companies Act**).

This report has been prepared based on the information known to the Liquidators as at the date of this report. 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 that becomes known to us after that date. We have not independently verified the accuracy of information provided to us, nor have we conducted an audit in respect of the Company. We express no opinion on the reliability, accuracy, or completeness of information provided to us and upon which we have relied.

The Liquidators do not accept responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction, or use of this report.

In association  
with



ADVISORY  
RESTRUCTURING



### 3. Company information

Date of incorporation:	22 September 1994
Trading address:	Hugh Brown Drive, New Lynn
Type of business:	Education Provider
Shareholders:	Anita Finnigan, Carytids Trustee Limited, and Tinos Trustee Limited
Directors:	Anita Finnigan and Rachel Skudder

### 4. Report on conduct of the liquidation

The Liquidators have attended to the following matters during the reporting period:

- a) Responding to creditor queries regarding the status of the liquidation.
- b) Recording all receipts and payments into the Liquidation accounting system.
- c) Preparing and filing statutory reports.
- d) Compiling and filing Inland Revenue returns.
- e) Assisting where required in resolving the dispute between the New Zealand Qualifications Authority, the Trustee of the Student Fee Withdrawal Protection Fund and the shareholders/directors of the Company in relation to students' entitlements to funds held in trust and protected by a bank bond.
- f) Responding to a request for summons in relation to a dispute between a landlord and a director of the Company.

A schedule of the receipts and payments for the period 1 December 2020 to 31 May 2021 is set out at Appendix 1.

### 5. Proposals for completing the liquidation

The Liquidators will continue to pursue collection of the current account balance owing and work with the shareholders/directors to resolve the disputes over the remaining balance owing to students. This matter is now the subject of legal proceedings and hence may take some time to resolve. The Liquidators continue to provide assistance to the various parties to the dispute as required.

### 6. Liquidators' independence

Prior to their appointment, the Liquidators obtained Court Approval under section 280 of the Companies Act confirming their independence and ability to act as Liquidators of the Company. There have been no changes to the Liquidators' independence since those orders were granted.

### 7. Liquidators' remuneration

The Liquidators' remuneration is charged on an hourly basis at their standard hourly rates. These rates, the qualifications and experience generally of staff at each level, and how we charge disbursements is set out in Appendix 2.

The Liquidators' remuneration received for the period 1 December 2020 to 31 May 2021 was \$119,774 plus GST. This relates to time costs incurred for the period from 1 September 2018 (with certain limited investigation time prior to this date) to 28 February 2021 relating in particular to investigations, pursuing the current account and supporting the student refund matters, payment for which was deferred to a lack of funds in the liquidation. A breakdown of the remuneration, and effective charge out rates in New Zealand dollars, is set out in Appendix 3.



## 8. Estimated date of completion of liquidation

As the dispute regarding student entitlements to additional refunds is now subject to Court proceedings, it is not practicable to estimate the date of the completion of the liquidation.

## 9. Further information

Should you have any information that you believe would lead to realisations for the benefit of creditors, please set it out in writing, attaching copies of all documentary evidence, and send it to the Liquidators. Please note that the Liquidators can only act on written information as telephone, or other, conversations will be regarded as hearsay by the Court.

## 10. Prospect of a dividend

As set out in our previous reports, we do not expect there to be any surplus funds to distribute to unsecured creditors, even if the legal matters referred to in section 5 is resolved in favour of the Company.

## 11. Contact details

The Liquidators can be contacted at McGrathNicol, Level 17 AIG Building, 41 Shortland Street, Auckland (PO Box 106-733, Auckland 1143). Telephone enquiries should be directed to Leanne de Seymour, direct dial (09) 926 5104.

Dated: 22 June 2021

A handwritten signature in black ink, appearing to read 'Conor McElhinney', written over a horizontal line.

**Conor McElhinney**  
Liquidator



## Appendix 1 – Receipts and payments

### Schedule of receipts and payments for the period 1 December 2020 to 31 May 2021

#### Best Pacific Institute of Education Limited (In Liquidation)

<u>Receipts and payments summary 1 December 2020 to 31 May 2021</u>		<u>\$</u>
<u>Funds on hand 1 December 2020</u>		<u>179,592</u>
<b>Receipts</b>		
GST received		20,127
Interest received		2
<b>Total receipts</b>		<b>20,129</b>
<b>Payments</b>		
Liquidators' fees		119,774
Liquidators' disbursements		94
GST paid		17,980
Bank fees		1
<b>Total payments</b>		<b>137,850</b>
<u>Funds on hand 31 May 2021</u>		<u>61,871</u>



## Appendix 2 – Liquidators’ remuneration

Explanation of hourly rates applying from 1 April 2021		
Title	Guide to qualifications and roles	Hourly rate (excl GST)
<b>Appointee/ Partner</b>	Accredited Insolvency Practitioners, Chartered Accountant or equivalent and generally degree qualified with more than twelve years of experience. Leads assignments with full accountability for strategy and execution.	\$645
<b>Director</b>	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than ten years of experience. Autonomously leads insolvency appointments reporting to Appointee/Partner.	\$555
<b>Senior Manager</b>	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than seven years of experience. Self-sufficiently conducts small to medium insolvency appointments and leads major work streams in larger matters.	\$485
<b>Manager</b>	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than five years of experience. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.	\$430
<b>Assistant Manager</b>	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages work stream activity within appointments.	\$380
<b>Senior Analyst</b>	Generally, degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than 16 months of experience. Completes tasks within work streams and appointments under supervision.	\$305
<b>Analyst</b>	Generally, degree qualified and undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision.	\$290
<b>Administrator</b>	Appropriately experienced and undertakes senior level administrative support activities or Treasury activities. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$280
<b>Secretaries</b>	Appropriately experienced and undertakes support activities, such as meeting co-ordination and preparation of materials where it is efficient and appropriate to do so.	\$175



<b>Explanation of disbursements</b>	
<b>Disbursements</b>	<b>Rate (excl GST)</b>
<b>Externally provided professional services</b>	At cost
<b>Externally provided non-professional services</b>	At cost
<b>Internal disbursements: office service charge</b>	3.0% of hourly rate
<b>Internal disbursements: staff vehicle use</b>	\$0.62-\$1.00 per KM, depending on the size of the vehicle's engine
<b>Internal disbursements: conference calls</b>	At cost



### Appendix 3 – Liquidators’ remuneration

Liquidators’ time costs invoiced in the period from 1 December 2020 to 31 May 2021, relating to time incurred from 1 September 2018 to 28 February 2021.

Time costs charged from 1 December 2020 to 31 May 2021									
Position	\$/hour (excl GST)	Asset realisation		Creditors		Investigations		Trading	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Partners	635-645	10.7	6,877	4.6	2,951	55.6	35,539	0.7	448
Directors	540-550	9.0	4,906	27.3	14,916	18.1	9,882	3.5	1,909
Senior Managers	470-485	3.3	1,570	22.4	10,643	17.5	8,319	-	-
Senior Analyst	295-300	-	-	31.8	9,394	-	-	22.1	6,582
Support Staff	170-280	-	-	3.7	650	-	-	-	-
<b>Total</b>		<b>23.0</b>	<b>13,353</b>	<b>89.8</b>	<b>38,554</b>	<b>91.2</b>	<b>53,739</b>	<b>26.3</b>	<b>8,939</b>

Time costs charged from 1 December 2020 to 31 May 2021					
Position	\$/hour (excl GST)	Reporting		Total	
		Hours	Cost	Hours	Cost
Partners	635-645	2.6	1,665	74.2	47,480
Directors	540-550	2.8	1,533	60.7	33,145
Senior Managers	470-485	2.2	1,045	45.4	21,576
Senior Analyst	295-300	2.7	804	56.6	16,779
Support Staff	170-280	0.6	144	4.3	794
<b>Total</b>		<b>10.9</b>	<b>5,191</b>	<b>241.2</b>	<b>119,774</b>

Please note the totals may not add exactly due to rounding.

#### Disbursements at cost from 1 December 2020 to 31 May 2021

<b>NZ\$ GST exclusive</b>	<b>\$</b>
Couriers	63
General expenses	31
<b>Total disbursements</b>	<b>94</b>

The Liquidators declare that all disbursements were necessary and proper.