



McGrathNicol

McGrathNicol Limited

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

Company number 646909

Liquidators' report (pursuant to s255 of the Companies Act 1993)
For the period 1 December 2019 to 31 May 2020

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.

As Accredited Insolvency Practitioners, the Liquidators are bound by the Restructuring Insolvency and Turnaround Association of New Zealand Inc's (**RITANZ**) Code of Professional Conduct, a copy of which can be located on RITANZ's website (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.

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with



ADVISORY
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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 re 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) Negotiating repayment of the shareholders current account.
- f) Working to resolve 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.

During the reporting period the Court ordered that the undisputed portion of student refund entitlements totalling \$1,411,677.47 be paid from funds held in trust and a bank bond. This amount has been duly paid to students from funds held by the Trustee.

A schedule of the receipts and payments for the period 1 December 2019 to 31 May 2020 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.

6. Liquidators' Independence

Prior to their appointment the Liquidators obtained Court Approval under section 280 of the Companies Act which confirmed 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' did not receive any remuneration for the period 1 December 2019 to 31 May 2020.



8. Estimated date of completion of liquidation

As the dispute regarding students' 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 liquidators' 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 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: 5 June 2020

A handwritten signature in black ink, appearing to read 'Conor McElhinney'.

Conor McElhinney
Liquidator



Appendix 1 – Receipts and payments

Schedule of receipts and payments for the period 1 December 2019 to 31 May 2020

Best Pacific Institute of Education Limited (In Liquidation)	
Receipts and payments summary 1 December 2019 to 31 May 2020	
	\$
Funds on hand 1 December 2019	16,378
Receipts	
GST received	798
Interest received	4
Total receipts	802
Payments	
Consultants fees	906
Legal fees	3,780
GST paid	703
Bank fees	6
Total payments	5,395
Balance held as at 31 May 2020	11,785



Appendix 2 – Liquidators’ remuneration

Explanation of hourly rates applying from 1 April 2020		
Title	Guide to qualifications and roles	Hourly rate (excl GST)
Appointee/ Partner	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
Director	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.	\$550
Senior Manager	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
Manager	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.	\$425
Assistant Manager	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages work stream activity within appointments.	\$375
Senior Analyst	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.	\$300
Analyst	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.	\$285
Administrator	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.	\$275
Secretaries	Appropriately experienced and undertakes support activities, such as meeting co-ordination and preparation of materials where it is efficient and appropriate to do so.	\$170



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