



McGrathNicol

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Best Pacific Institute of Education Limited (In Liquidation) ("the Company" and "BEST")

LIQUIDATORS' REPORT (PURSUANT TO SECTION 255 OF THE COMPANIES ACT 1993); FOR THE PERIOD 1 June 2018 TO 30 November 2018

COMPANY NUMBER: 646909

1. Appointment

Conor McElhinney and William Black were appointed jointly and severally as Liquidators of Best Pacific Institute of Education Limited (In Liquidation) on 1 December 2017 by special resolution of the shareholders.

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.

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 which 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.

3. Company information

Date of incorporation: 22 September 1994

Type of business: Education Provider

Date trading ceased: 30 November 2017

Directors: Anita Finnigan and Rachel Skudder

In association
with



Advisory
Forensic
Transactions
Restructuring
Insolvency



4. Events leading to appointment of Liquidators

As previously advised, BEST ceased trading on 30 November 2017, following receipt of advice on 23 November 2017 that BEST would not receive tertiary education funding in 2018. The Liquidators note that the balance of 2017 funding was also being withheld. Consequently, the Company could not meet its obligations as they fell due.

5. Report on the conduct of the liquidation

5.1. Trust account funds and claim to Bank bond

As advised previously, the Statement of Affairs provided with our first report showed three related balances: debtors of \$357,082, a trust account asset of \$926,820 and a liability to StudyLink of \$566,284. All three balances effectively relate to students who funded their studies through student loans:

- a. Debtors are amounts due from students for course fees.
- b. The trust account balance represents funds held by a trustee which were paid by StudyLink to the trustee, to be passed to BEST once BEST is entitled to receive the payment from the student (after a withdrawal period).
- c. The liability to StudyLink represents refunds due to students who withdrew from courses.

Given the closure of BEST on 1 December 2017, students are entitled to refunds for part-completed courses. As a result, the reported balances will be subject to change.

The Liquidators, NZQA, TEC, the Trustee and the shareholders/directors of BEST continue to work to determine BEST's and students' entitlements to funds held in trust and the amount of any claim against a bank bond (provided to cover further refunds due to students from the closure of BEST and/or to transfer course fees to the new PTE if a student transferred). This process is continuing. If parties cannot agree on the treatment of certain balances, then it is expected the matter will need to be determined by the Court. This will further delay progress of the liquidation.

6. Receipts and payments

Attached is a summary of receipts and payments for the period 1 June 2018 to 30 November 2018.

7. Proposals for completing the liquidation

In addition to resolving the matters outlined in paragraph 5.1 above, the remaining known assets of BEST are the current accounts owing by Anita Finnigan and the Tinos Trust, which were reported as \$2.5 million and \$163,116 respectively in the Statement of Affairs prepared by the Directors. The Liquidators are seeking an out of court settlement prior to issuing legal proceedings for recovery.

The Liquidators have identified potential claims against certain parties and are considering the merits of the claims, in conjunction with resolving matters referred to in paragraph 5.1.




8. Estimated date of completion of the liquidation

It is not practical to estimate the date of the completion of the liquidation at this stage, given the matters outstanding.

9. Further information

If you require any further information in relation to the liquidation, or if you have any information that will be of assistance to the Liquidators, please contact Leanne de Seymour on +64 9 926 5104 or ldeseymour@mcgrathnicol.co.nz.



Conor McElhinney
Liquidator



APPENDIX 1

Best Pacific Institute of Education Limited (In Liquidation)

Receipts and payments summary 1 June 2018 to 30 November 2018		\$
Funds on hand 1 June 2018		261,570
Receipts		
Funding from TEC for costs associated with student transfers		7,851
GST received		36,320
Interest received		49
Total receipts		44,220
Payments		
Auctioneer charges and commission		350
Bank charges		28
Courier		155
GST paid		35,644
IT services		272
Legal disbursements		495
Legal fees		22,003
Liquidators' disbursements		6,502
Liquidators' fees (including deferred fees from 1-Dec-17 to 31-May-18)		205,094
Total payments		270,543
Balance held as at 30 November 2018		35,247