



ESPLANADE NO 3 LIMITED (IN LIQUIDATION) ("Company")

Company number: 354454

New Zealand Business Number: 9429039575333

**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 Esplanade No 3 Limited (“Company”) on 14 April 2021 at 11:04am by order of the High Court at Auckland on the application of The Director-General of the Ministry for Primary Industries in accordance with section 241(2)(c) 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 and Reasons for Liquidation

The Company had ceased trading at least two years prior to liquidation, but was previously the owner of Annual Catch Entitlement (“ACE”) in the commercial fishing industry.

The Company had received deemed values from the Ministry for Primary Industries (“MPI”) for catching more than entitled under their ACE and were not in a position to clear the balance. In 2019, the Company was also fined for intentionally catching fish in excess of their ACE.

After pursuing the due balance for an extensive period of time, MPI issued a statutory demand that was not satisfied by the Company and as such, proceeded with an order from the High Court to liquidate the Company.

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 Liquidators also directly contacted all known creditors and answered any queries they may have had. The Liquidators subsequently reviewed all completed creditor claim forms received.

The Liquidators have liaised with many parties including Inland Revenue, the Companies Office, the New Zealand Gazette and the Accident Compensation Corporation, and completed a review of all information received.

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

ACE

The Company held ACE in a number of fish varieties. Once one of the vessels had returned with the catch, the Company's ACE would be transferred to the appropriate entity to account for what was caught.

The Liquidators are currently investigating these transactions.

GST Refund

The Liquidators received Inland Revenue GST Refunds of \$8,873.

4.4. Creditor Claims

Preferential Creditors

One preferential claim was received relating to the petitioning creditor's court costs.

Unsecured Creditors

Two unsecured claims have been received totalling \$297,875.40.

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 **28 February 2021**.

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 our investigation of potential voidable transactions;
- distribute available funds (if any) to preferential and 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: ryan.kilkolly@bdo.co.nz

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

Dated this 5th day of April 2022



JESSICA KELLOW
Liquidator

Appendices

- Appendix 1 - Statement of Receipts and Payments
- Appendix 2 - Remuneration Schedule
- Appendix 3 - Statement of Affairs
- Appendix 4 - Interests Statement



APPENDICES

Appendix 1 - Receipts and Payments

Esplanade No 3 Limited (in Liquidation)	
Summary of Receipts & Payments	
14 April 2021 - 5 April 2022	
	\$
RECEIPTS	
Inland Revenue - GST Refunds	8,873
Interest	1
Total Receipts	8,874
PAYMENTS	
Liquidation Costs and Disbursements	6,708
Resident Withholding Tax	0
Total Payments	6,708
Cash on hand	2,166



Appendix 2 - Remuneration Schedule

Esplanade No 3 Limited (In Liquidation)

Remuneration Report - Period: 14 April 2021 - 5 April 2022

	Hourly Rate (\$)	Assets		Company Records		Creditors		Day One/Initial Tasks		Debtors		Employees		Financial	
		Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours
Partners	395 - 495	692.50	1.50	-	-	-	-	-	-	-	-	-	-	568.75	1.25
Managers	195 - 325	-	-	81.25	0.25	-	-	243.75	0.75	-	-	-	-	-	-
Analysts	110 - 295	4,606.25	24.00	90.00	0.75	672.50	3.50	393.75	1.75	360.00	3.00	-	-	60.00	0.50
Finance / Administration	195	-	-	-	-	-	-	-	-	-	-	-	-	415.35	2.13
Support Staff	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		5,298.75	25.50	171.25	1.00	672.50	3.50	637.50	2.50	360.00	3.00	-	-	1,044.10	3.88

	Hourly Rate (\$)	Admin/General		Litigation		On-Going Trading		Planning/Review		Secured Creditors		Reporting		Total	
		Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours
Partners	395 - 495	742.50	1.50	742.50	1.50	-	-	123.75	0.25	-	-	235.00	0.50	3,105.00	6.50
Managers	195 - 325	-	-	-	-	-	-	-	-	-	-	-	-	325.00	1.00
Analysts	110 - 295	1,619.67	8.88	-	-	-	-	-	-	-	-	1,477.50	7.50	9,279.67	49.88
Finance / Administration	195	1,214.85	6.23	-	-	-	-	-	-	-	-	-	-	1,630.20	8.36
Support Staff	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		3,577.02	16.61	742.50	1.50	-	-	123.75	0.25	-	-	1,712.50	8.00	14,339.87	65.74

Disbursements	Costs
Advertising	548.93
Miscellaneous	278.00
Overheads	-
Travel Costs	-
Total	826.93

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 \$5,833 (excl. GST) has been received on account for both fees and disbursements.

Appendix 3 - Statement of Affairs

Esplanade No 3 Limited (In Liquidation)			
Statement of Affairs			
	Notes	Initial Report Book value*	As at 5 April 2022 Book value
Assets			
Assets		-	-
		-	-
Less Preferential Creditors:			
Ministry for Primary Industries - Costs Award		(3,811)	(3,811)
		(3,811)	(3,811)
Surplus/(shortfall)		(3,811)	(3,811)
Less Unsecured creditors:			
IRD unsecured claims		(1,073)	(1,073)
Ministry of Justice		(234,994)	(234,994)
Related Party Debts		(2,138,813)	(2,138,813)
Trade Debtors		(62,881)	(62,881)
		(2,437,761)	(2,437,761)
Overall surplus/(shortfall) for Creditors prior to costs of liq.		(2,441,572)	(2,441,572)

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 5th day of April 2022



IAIN BRUCE SHEPHARD
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP71



JESSICA JANE KELLOW
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP75