

EX CHPML LIMITED (IN RECEIVERSHIP AND IN LIQUIDATION)

Company Number: 6465652

New Zealand Business Number: 9429046421296

Receivers' Second Report on the State of Affairs

Pursuant to Section 24 of the Receiverships Act 1993

Reporting Period: 26 February 2024 to 25 August 2024

1. Introduction

Colin Gower, Licensed Insolvency Practitioner (IP20), and I, Chartered Accountant and Licensed Insolvency Practitioner (IP110), both of BDO Christchurch, were appointed Joint and Several Receivers and Managers (“Receivers”) of Ex CHPML Limited (In Receivership and In Liquidation) (formerly Carlin Hotel Property Management Limited) (“the Company” or “CHPML”) at 11am on 26 February 2024 by Pablo (Aust) Pty Limited (“Pablo”), under the powers contained in:

- a. A General Security Deed granted to Aquasia Pty Limited dated 14 April 2022 (and assigned to Pablo on 14 February 2024) (“Aquasia GSD”) and
- b. A General Security Deed granted to Carlin Hotel Mortgage Pty Limited dated 14 April 2022 (and assigned to Pablo on 14 February 2024) (“Whites GSD”) and
- c. A General Security Deed granted to Pablo on 7 November 2023 (“Pablo GSA”)

granted by the Company in relation to all of the Company’s present and after-acquired property and all personal property in which the Company has rights, whether now or in the future. The property in receivership is all of the Company’s present and after acquired property and all personal property in which the Company has rights, whether now or in the future.

Colin Gower and I were also appointed Joint and Several Receivers and Managers of Queenstown Views Villas Limited (In Receivership) (“QVVL”), by Pablo at 11am on 26 February 2024 and Ex TCHL Limited (In Receivership and In Liquidation) (formerly The Carlin Hotel Limited) (“TCHL”), by Pablo at 9am on 17 July 2024.

Malcolm Hollis and Judith Shields of PricewaterhouseCoopers NZ were appointed Joint and Several Liquidators of the Company and TCHL by special resolutions of the shareholders on 23 September 2024. The Liquidators subsequently granted the Receivers agency on 27 September 2024.

Within the Reporting Period, the Company operated The Carlin Hotel, a luxury hotel located at 43 Hallenstein Street, Queenstown, New Zealand (“the Property”). The Property was made up of six units (plus four ancillary units (carparks)) owned by QVVL and three units, (plus two ancillary units (carparks)) owned by Pablo.

At the date of appointment, the QVVL units were subject to a management agreement with CHPML, which facilitated the operations of The Carlin Hotel. In addition, whilst not subject to the management agreement, hotel operations have also included the units owned by Pablo. The Carlin Hotel facility included nine suites, a ground floor reception, restaurant, bar area, gymnasium, and car parking.

This report should be read in conjunction with the Receivers’ First Reports for the Company and TCHL and the First and Second Reports for QVVL.

2. Restrictions

This report has been prepared by us in accordance with and for the purposes of section 24 of the Receiverships Act 1993 (“the Act”). It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the Receivership.

All information contained in this report is provided in accordance with sections 26 and 27 of the Act. In compiling this report, we have relied upon and not independently verified or audited information or explanations provided to us.

We reserve the right (but will be under no obligation) to review this report and if we consider it necessary, to revise, in light of any information existing at the date of this report which becomes known to us after this date.

We can withhold certain information if inclusion would materially prejudice the exercise of our functions.

3. Property disposed of since date of our previous report and the commencement of the receivership

As previously advised, the Company operated The Carlin Hotel during the Reporting Period. The Company's assets capable of commercial realisation comprised chattels such as furniture, wall art, electronics, commercial kitchen appliances, gym equipment, office and computer equipment, all of which were subject to the operational activities of The Carlin Hotel.

As part of the receivership asset realisation strategy, the Receivers engaged Mark Simpson and Barry Robertson of Colliers (Otago Realty (NZ) Limited REAA 2008) to undertake an independent marketing and sales campaign with respect to the business and assets owned by the Company, QVVL, TCHL ("Business and Assets") and the units owned by Pablo.

The Business and Assets were sold to Pablo, with settlement completing on 14 October 2024. Further detail in relation to this transaction will be provided in our next statutory report.

The Carlin Hotel continues to operate under the management of Pablo Hotel Management Limited ("PHML"), effective 15 October 2024, with all Company employees having accepted the offer of employment presented by PHML.

4. Proposals for disposal of remaining property in receivership

As stated above, the Business and Assets were sold to Pablo on 14 October 2024, with the exception of a motor vehicle owned by the Company, which will be sold separately in the next reporting period by way of an independent sales process.

We have undertaken an initial investigation into related party balances owed to the Company as at the date of appointment. We have requested further information to assist with our investigation in order to confirm the position and any potential recoverability of these related party balances.

5. Summary of receipts and payments

We attach as **Appendix 1** a Summary of Receipts and Payments for the Company for the reporting period.

Further, we summarise our fees, allowances and reimbursements paid from the commencement of the receivership to date, below:

- Professional fees: \$356k
- Reimbursements: \$15k

The above figures are exclusive of GST

Our fees, allowances and reimbursements set out above are not included in the **Appendix 1** summary of receipts and payments as these have been directly invoiced to and paid by Pablo.

6. Particulars of debts and liabilities outstanding

6.1. Secured creditors

Monies due to Pablo either directly or through cross guarantees as at 25 August 2024 total \$8.4m, plus accrued interest and costs from 27 February 2024 were comprised as follows:

- \$7.3m (plus accrued interest and costs) relating to various loan facilities totalling \$6.7m AUD converted to NZD using the closing exchange rate of 1.09 as at 25 August 2024 and secured by the Aquasia GSD and Whites GSD and subject to cross guarantees with QVVL and TCHL. We note this amount is subject to foreign exchange fluctuations;
- \$550k (plus accrued interest and costs) relating to various loan facilities secured by the Aquasia GSD, Whites GSD and Pablo GSA;
- \$500k (plus accrued interest and costs) relating to various loan facilities secured by the Aquasia GSD, Whites GSD and Pablo GSA and subject to a cross guarantee from QVVL.

6.2. Preferential creditors

A distribution to preferential creditors is subject to asset realisations in accordance with Schedule 7 of the Companies Act 1993. Therefore, a distribution will be available for preferential creditors only if there are available proceeds from accounts receivable and/or inventory.

6.2.1. Employees

Upon our appointment, outstanding employee preferential claims totalled c. \$62k. On 28 February 2024, \$27.8k (net of deductions) was distributed to employees with respect to their pre-receivership wages for the period ended 25 February 2024 to facilitate ongoing hotel operations.

6.2.2. Inland Revenue

We have received a preferential claim from the Inland Revenue totalling \$317k, which consists of:

- \$218k relating to PAYE; and
- \$99k relating to GST.

6.3. Unsecured creditors

Total claims of \$2.1m have been received to date. We have not accepted or rejected any creditor claims received. It is unlikely that there will be any funds available for distribution to unsecured creditors.

7. Contact Information

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

Cameron Chilvers
DDI: 03 353 5523
Email: cameron.chilvers@bdo.co.nz



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Christchurch 8013

Dated this 25th day of October 2024

A handwritten signature in black ink, appearing to read 'D. C. Matchett'. The signature is written in a cursive style with a large, looped 'D' and 'M'.

Diana Matchett
Joint and Several Receiver and Manager

Partners and staff acting as Receivers or Administrators do so as agents of the Company without personal liability.

APPENDICES

Appendix 1 - Receipts and Payments

| Ex CHPML Limited (In Receivership and In Liquidation) | |
|---|------------------|
| Summary of Receipts & Payments | |
| 26 February 2024 to 25 August 2024 | |
| | \$ |
| OPENING BALANCE ON APPOINTMENT | 202,730 |
| RECEIPTS | |
| Revenue | 847,429 |
| Pre Receivership Debtors | 32,865 |
| Funds Introduced by Appointer | 162,009 |
| Sundry Income | 1,233 |
| GST on Receipts | 107,876 |
| Total Receipts | 1,151,412 |
| PAYMENTS | |
| Advertising & Marketing | 44,019 |
| Cleaning Services | 147,369 |
| Commissions | 70,100 |
| Equipment Hire | 4,525 |
| Food and Beverage Purchases | 48,155 |
| Health and Safety | 10,466 |
| Hotel Supplies | 7,334 |
| Insurance | 33,183 |
| IT Services | 34,378 |
| PAYE | 63,470 |
| Power & Gas | 36,470 |
| Preferential Wages | 27,845 |
| Preferential PAYE | 9,099 |
| Professional Fees | 33,287 |
| Rental Charges | 2,999 |
| Repairs & Maintenance | 23,850 |
| Rubbish Removal | 7,758 |
| Security | 9,973 |
| Sub-Contractors | 25,650 |
| Sundry Expenses | 12,586 |
| Television Services | 6,687 |
| Valuations | 5,839 |
| Wages & Salaries | 187,684 |
| Internal Transfer - QVVL | 135,504 |
| GST on Expenses | 77,149 |
| GST Paid | 45,512 |
| Total Payments | 1,110,895 |
| Cash on Hand | 243,248 |