

ARROW INTERNATIONAL GROUP LIMITED (IN LIQUIDATION)

Company number: 3383875

Liquidators' Third Report to Creditors and Shareholders

Reporting Period: 6 December 2019 to 5 June 2020

1. Introduction

Andrew Bethell and Andrew McKay of BDO Auckland and Colin Gower of BDO Christchurch were appointed joint and several administrators of Arrow International Group Limited (“the Company”) on 28 February 2019 by a resolution of the Company’s directors, in accordance with section 239I of the Companies Act 1993 (“the Act”).

At the Watershed Meeting held on 6 June 2019, the Company’s creditors resolved to place the Company into liquidation. Andrew Bethell, Andrew McKay and Colin Gower were appointed joint and several liquidators (“Liquidators”) pursuant to section 241(2)(d) of the Act.

The Liquidators provided a Declaration of Independence, Relevant Relationships and Indemnities together with details of hourly rates in the Watershed report dated 29 May 2019 previously provided to creditors.

In accordance with section 255 of the Act we report on the Company’s affairs together with our proposals for conducting the liquidation.

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. Conduct of the liquidation within the reporting period

3.1 Schedule of Receipts and Payments

Attached at **Appendix 1** is a schedule of receipts and payments for the six-month period.

3.2 Asset Realisations

Debtors

We are pursuing final recovery of any outstanding debts owed to the Company.

Fixed Assets

There are no fixed assets in the Company.

3.3 Creditors Claims

Secured Creditors

As noted in our last report, the Company’s bank provided funding jointly and severally to the Company and other Group companies. The banks’ security was jointly and severally secured over the assets of the Company, Arrow International (NZ) Limited (“AINZL”) and Construction Labour & Resources Limited (“CLRL”).

The Company has a bond facility which was secured by way of general security instruments over the Company and AINZL. All secured bonds bar one has either been released or called and paid. One bond in the amount of \$326k remains outstanding and has recently been called.

We have recently received another claim from a secured creditor for \$337k. We are yet to fully assess this claim.

Preferential Creditors

During the period, Inland Revenue's preferential claim against the Company has been paid in full.

Unsecured Creditors

Unsecured creditor claims lodged with the Liquidators to date total \$2.2m, however, we are expecting further claims to be lodged.

4. Liquidators' Fees

Liquidators' fees for the period to date total \$19k net of GST and disbursements.

Attached at **Appendix 2** is a schedule of Liquidators fees for the six-month period.

5. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions:

- Continue to pursue debtor balances owing to the Company including related party debts;
- Continue assessment of creditors' claims; and
- Comply with our statutory obligations.

6. Estimated date of completion

It is not practical to estimate the date of the completion of the liquidation at this stage as it is dependent on the completion of the liquidation of subsidiary company AINZL to confirm recoverability of intercompany receivables. Our subsequent reports to creditors and shareholders will, when appropriate, advise of an estimated completion date.

7. Contact information

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

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Dated this 3rd day of July 2020

A handwritten signature in black ink, appearing to read 'Andrew Bethell', with a stylized flourish at the end.

Andrew Bethell
Liquidator

APPENDICES

Appendix 1 - Summary of Receipts & Payments

Arrow International Group Limited (In Liquidation)	
Summary of Receipts and Payments	
6 December 2019 to 5 June 2020	\$ (Excl GST)

Opening Balance	42,186
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Receipts

Proceeds from Development	2,898,682
Interest Received (net of RWT)	2,321
Sale of Subsidiary	2,500
GST Received	2,947
Total Receipts	2,906,449

Payments

Loan Repayment	1,711,372
Preferential Creditors - IRD	41,391
Liquidators Fees & Disbursements	18,514
GST Paid	2,777
Refund of Overpayment	5,029
Total Payments	1,779,084

Cash on Hand at 5 June 2020	1,169,552
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Appendix 2 - Summary of Liquidators' Fees

	Asset Realisation			Creditors		Administration		Investigation		Reporting		Total	
	Hourly Rate	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Liquidator	556	11	6,113	1	365	2	1,036	0	0	1	457	14	7,971
Partner	540	0	0	0	0	3	1,621	0	0	0	0	3	1,621
Associate	393	0	80	6	2,410	1	240	0	0	2	690	9	3,420
Senior Manager	388	1	386	1	368	2	778	0	0	5	1,864	9	3,396
Manager	380	0	0	0	0	1	475	0	0	1	380	2	855
Senior Analyst	250	0	0	0	0	0	50	0	50	1	325	2	425
Analyst	200	0	0	0	0	1	170	0	0	0	0	1	170
Administration	185	0	0	0	0	4	657	0	0	0	0	4	657
Total	429	12	6,579	8	3,143	13	5,026	0	50	10	3,716	43	18,514