



ARROW INTERNATIONAL (NZ) LIMITED (IN LIQUIDATION)

Company number: 3383573

Liquidators' Tenth Report to Creditors and Shareholders

Reporting Period: 6 June 2023 to 5 December 2023

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 (NZ) Limited (“the Company” or “AINZL”) 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. There have been no changes to this declaration nor have the rates changed since that report.

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

The Liquidators have realised all known assets in prior reporting periods and are not expecting any further recovery from asset realisations. Refer to our previous reports for further detail on prior asset realisations.

3.3 Creditors Claims

Secured Creditors

As noted in our previous report, the Company’s bank provided funding jointly and severally to the Company, the ultimate parent company Arrow International Group Limited (“AIGL”), a subsidiary Construction Labour & Resources Limited (“CLRL”) and other Group companies. The bank’s security was jointly and severally secured over the assets of the Company, AIGL and CLRL.

Performance bonds provided on behalf of the Company were secured by way of general security instruments over AINZL and AIGL. All secured bonds have now either been released or called and paid.

Preferential Creditors

We previously reported that employee wages and holiday pay of \$730k, that would otherwise have been preferential claims in the event of the liquidation of the Company after the Watershed meeting, were settled in full prior to the liquidation.

Inland Revenue's preferential claim of \$553k has been paid in full.

Retentions Held

As previously advised the Liquidators have released the final retentions held in accordance with the provisions of the Construction Contracts Act 2002. A final reconciliation of the retention account indicates that there will be a further sum of \$81.5k plus interest to be transferred to the Company's general bank account for the benefit of all proved creditors. This surplus arose from the Company transferring retention sums into trust which were not in fact required to be held in trust.

Unsecured Creditors

The Liquidators have progressed assessment of further claims during the reporting period. See the table below for a breakdown of our updated claims assessment to date:

Claim Status	\$ (incl GST)	Count
Admitted	27,504,233	438
Rejected	17,449,296	77
Withdrawn	3,883,689	13
Total	48,837,219	528

4. Distribution to creditors

The Liquidators have previously paid an interim distribution at a rate of 12 cents on the dollar (12%) for a total of \$3.2m. The distribution was paid effective as of 14 December 2021 and it was paid to all unsecured creditors with an admitted claim in the liquidation.

A further interim distribution of 12 cents in the dollar for a total of \$85.9k was made on 29 July 2022 for creditor claims that the Liquidators were aware of but which had not been finalised at the time of the initial interim distribution was paid.

Based on information currently available, it is anticipated that a second and final dividend of around 3.5 cents in the dollar will be paid.

As previously advised, the Liquidators were notified of a potential further claim back in December 2022. While the claim against the Company has been discontinued there remains a potential for other claims relating to the same project to arise. In addition, the liquidators have been requested to provide documentation in relation to the project and are complying with these requests on an informal basis to avoid the potential costs of being compelled by the Court to respond. Every effort is being made to expedite matters to enable the final distribution to be made and the liquidation to be completed.

The Liquidators have retained sufficient funds to meet any potential future claims of which they are currently aware.

5. Liquidators' fees

Liquidators' fees and disbursements for the current Reporting Period total \$21.8k net of GST.

Attached at **Appendix 3** is a schedule of the Liquidators' fees and disbursements paid during the Reporting Period.

6. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions:

- Reconcile the Retentions Trust account and transfer excess funds held to Liquidators;
- Resolve outstanding issues regarding the discontinued claim made against the Company;
- Distribute any remaining available funds to creditors; and
- Comply with our statutory obligations.

Once all matters are completed, the Liquidators will then seek to have the Company removed from the register.

7. Estimated date of completion

Subject to the resolution of potential claims noted in paragraph 4 above and based on information currently available, the Liquidators anticipate that the liquidation will be finalised in the next six months.

8. Contact information

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

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Dated this 21st day of December 2023



Andrew McKay
Liquidator

APPENDICES

Appendix 1 - Summary of Receipts & Payments

Arrow International (NZ) Limited (In Liquidation)	
Summary of Receipts and Payments	
6 June 2023 to 5 December 2023	
	Amount
Opening Cash Balance	1,117,216
Receipts	
Interest Received	20,990
Total Receipts	20,990
Payments	
Legal Fees and Disbursements	11,173
Liquidators fees and Disbursements	21,803
Operating expenses	45,645
Total Payments	78,621
Cash at hand as at 5 December 2023	1,059,585

Appendix 2 - Summary of Liquidators' Fees Paid

Arrow International (NZ) Limited (In Liquidation) 6 June 2023 to 5 December 2023	Hourly Rate	Administration Hours	Administration Cost	Asset Realisations Hours	Asset Realisations Cost	Creditors Hours	Creditors Cost	Reporting Hours	Reporting Cost	Total Hours	Total Cost
Liquidator	550	3.8	2,063	0.0	0	0.5	275	0.3	138	4.5	2,475
Associate	405	0.3	130	0.5	200	10.3	4,165	0.9	360	12.0	4,855
Senior Manager	367	6.0	2,232	0.0	0	15.8	5,745	5.9	2,183	27.7	10,160
Assistant Manager	245	0.0	0	0.0	0	6.4	1,568	0.0	0	6.4	1,568
Admin	180	15.3	2,745	0.0	0	0.0	0	0.0	0	15.3	2,745
Total		25.3	7,170	0.5	200	33.0	11,753	7.1	2,681	65.8	21,803