



ARROW INTERNATIONAL GROUP LIMITED (IN LIQUIDATION)

Company number: 3383875

Liquidators' Seventh Report to Creditors and Shareholders

Reporting Period: 6 December 2021 to 5 June 2022

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. 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

With the exception of intercompany receivables, there are no further assets to be realised by the Liquidators.

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 have now either been released or called and paid.

Preferential Creditors

As noted in our last report, Inland Revenue's preferential claim against the Company has been paid in full.

Unsecured Creditors

Our assessment of unsecured creditors' claims to-date have remained the same per the below table:

Claim Status	\$ (incl GST)	Count
Admitted	4,691,458	14
Rejected	1,657,145	3
Total	6,348,603	17

We are aware of a potential further claim totalling approximately \$1m. This will be fully assessed once the finalised claim is received.

4. Distribution to creditors

During the Reporting Period, the Liquidators paid an interim distribution at a rate of 15 cents on the dollar (15%) for a total of \$704k. The majority of the distribution was paid on 14 December 2021 and it was paid to all unsecured creditors with an admitted claim in the liquidation.

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

The finalisation of this liquidation is dependent on the final distribution from the subsidiary company AINZL and receipt of the finalised further claim. Once received, the Liquidators will be in a position to assess the remaining funds for distribution to creditors and will then advise creditors of the final distribution.

5. Liquidators' fees

Liquidators' fees for the period to date total \$13k net of GST and disbursements.

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

6. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions:

- Seek recovery of intercompany receivables;
- Finalise assessment of creditors' claims;
- Distribute any remaining available funds to creditors; and
- Comply with our statutory obligations.

7. Estimated date of completion

The completion of the liquidation is dependent on the final distribution from the subsidiary company AINZL and receipt of the finalised further claim. AINZL indicates that a final distribution will be made to creditors after the resolution of its outstanding issues, anticipated to be in the next six months. Completion of AIGL's liquidation will occur as soon as possible thereafter.

8. Contact information

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

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Dated this 5th day of July 2022

A handwritten signature in black ink, appearing to read 'A. McKay'.

Andrew McKay
Liquidator

APPENDICES

Appendix 1 - Summary of Receipts & Payments

Arrow International Group Limited (In Liquidation)	
Summary of Receipts and Payments	
6 December 2021 to 5 June 2022	\$ (Excl GST)
Opening Balance	1,131,738
Receipts	
Bank Interest	2,774
Interim Distribution from AINZL	84,581
Total Receipts	87,355
Payments	
GST Paid	218
Interim Distribution to Unsecured Creditors	703,719
Liquidators Fees	12,755
Recharges	52,805
Total Payments	769,496
Cash on Hand at 5 June 2022	449,597



Appendix 2 - Summary of Liquidators' Fees

	Hourly Rate	Creditors		Administration		Reporting		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Liquidator	550	5	2,658	2	1,283	0	0	7	3,942
Associate	369	5	1,711	0	18	0	119	5	1,847
Senior Manager	367	10	3,578	3	920	0	0	12	4,498
Senior Analyst	224	1	123	2	343	3	833	6	1,299
Administration	180	0	0	6	1,170	0	0	6	1,170
Total		20	8,069	13	3,734	4	952	37	12,755