

CONSTRUCTION LABOUR AND RESOURCES LIMITED (IN LIQUIDATION)

Company number: 2240072

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 Construction Labour and Resources 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 during 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

There were no assets to be realised during the reporting period.

3.3 Creditors Claims

Secured Creditors

The Company’s bank provided funding jointly and severally to the Company, its parent Arrow International (NZ) Limited (“AINZL”) and Arrow International Group Limited (“AIGL”), the ultimate parent company. The banks’ security is joint and severally secured over the assets of the Company, AINZL, and AIGL.

As noted in our last report, the bank has been paid in full.

Preferential Creditors

We previously reported that employee wages and holiday pay 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.

Based on funds currently available, we continue to hold the view that there will be insufficient funds to satisfy Inland Revenue's preferential claim of \$17k for unpaid PAYE and Kiwisaver employer and employee amounts.

Unsecured Creditors

As previously reported, unsecured creditor claims received to date total \$61k which includes employee unsecured claims of \$60k. Based on funds currently available, we continue to hold the view that there are unlikely to be sufficient funds for any distribution to unsecured creditors.

4. Liquidators' Fees

Liquidators' fees for the reporting period total \$2,517 net of GST.

5. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions:

- Finalise creditor assessments;
- Distribute any available funds to creditors; 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 parent company AINZL to confirm the potential 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



Andrew Bethell
Liquidator

APPENDICES

Appendix 1 - Summary of Receipts & Payments

Construction Labour and Resources Limited (In Liquidation)
Summary of Receipts and Payments
6 December 2019 to 5 June 2020 \$ (Excl GST)

Cash on Hand	4,223
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Receipts

Bank Interest (net of RWT)	16
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Total Receipts	4,239
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Payments

Liquidators Fees	2,517
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GST	378
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Total Payments	2,895
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Cash on Hand as at 5 June 2020	1,344
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