

CONSTRUCTION LABOUR AND RESOURCES LIMITED (IN LIQUIDATION)

Company number: 2240072

Liquidators' Second Report to Creditors and Shareholders

Reporting Period: 6 June 2019 to 5 December 2019

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 Cower 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 as Appendix 1 is a schedule of receipts and payments for the six month period.

3.2 Asset Realisations

Debtors

There are no debtors in the Company

Fixed Assets

There are no fixed assets of value in the Company

Other

There are no other assets

3.3 Creditors Claims

Secured Creditors

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

The amount owing under the instrument at the date of liquidation was \$382k. The instruments were not required to be paid and were released during the period of this report. The bank has therefore been paid in full.

Preferential Creditors

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, during the period of administration.

Inland Revenue's preferential claim for unpaid PAYE and Kiwisaver employer and employee costs is in the amount of \$5k. There are unlikely to be sufficient funds for any distributions to the Inland Revenue.

Unsecured Creditors

Unsecured creditor claims received to date total \$61k including employee unsecured claims for the amount of \$60k. Based on funds currently available, there is unlikely to be sufficient funds for any distribution to unsecured creditors.

4. Liquidators' Fees

Liquidators' fees for the period to date total \$904 net of GST.

5. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions:

- Assess other areas of potential recovery; and
- Comply with our statutory obligations.

6. Estimated date of completion

We anticipate the liquidation will be completed within the next reporting period.

7. Contact information

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

Derek Tang
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Email: derek.tang@bdo.co.nz

BDO Auckland
PO Box 2219
Level 4 BDO Centre
4 Graham Street
Auckland

Dated this 30th day of December 2019

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

Construction Labour and Resources Limited (In Liquidation) Summary of Receipts and Payments 6 June 2019 to 5 December 2019		\$ (Excl GST)
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Cash at Bank	136
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Receipts

Bank Interest	13
GST	4,978
Total Receipts	5,127

Payments

Liquidators Fees	904
Total Payments	904

Cash on Hand at 5 December 2019	4,223
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