



ARROW INTERNATIONAL (NZ) LIMITED (IN LIQUIDATION)

Company number: 3383573

**Liquidators' Fifth Report to Creditors and
Shareholders**

Reporting Period: 6 December 2020 to 5 June 2021

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. The rates have not 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 banks’ 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

The Liquidators have continued to release retentions held in trust to subcontractors in accordance with the provisions of the Construction Contracts Act 2002. \$5.0m has been paid to date. The Liquidators will continue to progress the release of the \$0.7m of remaining retentions. These will be released subject to projects achieving practical completion, receipt of final accounts and at the expiry of defect liability periods.

Attached at **Appendix 2** is a summary of the retentions released since our appointment as Administrators.

Unsecured Creditors

The majority of the claims received have been assessed by the Liquidators during this reporting period. See the table below for a breakdown of our claims assessment to date:

Claim Status	\$ (incl GST)	Count
Admitted	20,674,728	419
Rejected	14,347,445	68
Withdrawn	3,578,891	8
Assessment in Progress	2,561,493	4
Total	41,162,558	499

We are working through the final few creditor claims and expect to complete our assessment of the remaining "Assessment in Progress" claims during the next reporting period.

4. Liquidators' fees

Liquidators' fees and disbursements for the current reporting period total \$152k net of GST.

Attached at **Appendix 3** is a schedule of the Liquidators' fees and disbursements for the reporting period.

5. Further proposals for completing the liquidation

The Liquidators propose to take the following further actions:

- Administer the release of the remaining retentions held in trust;
- Complete our assessment of all claims made against the Company;
- Distribute available funds to unsecured 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.

6. Estimated date of completion

We anticipate the final two outstanding issues in the liquidation will be settled in the next six months and it is our intention to make a distribution to creditors and complete the liquidation as soon as possible thereafter.

7. Contact information

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

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BDO Auckland

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Dated this 5th day of July 2021

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

Andrew Bethell
Liquidator

APPENDICES

Appendix 1 - Summary of Receipts & Payments

Arrow International (NZ) Limited (In Liquidation)	
Summary of Receipts and Payments	
6 December 2020 to 5 June 2021	\$ (excl GST)
Opening Cash Balance	4,889,177
Receipts	
GST	37,055
Interest Received	11,024
Settlement Proceeds	115,000
Transfers from Retentions Trust Account	336,208
Total Receipts	499,286
Payments	
Insurance	3,150
Legal Fees and Disbursements	15,077
Liquidators' Fees and Disbursements	151,648
Operating Expenses	65,239
Preferential Creditors	69,394
Project Costs	36,229
Retentions Released	336,208
Secured Creditors	21,703
Total Payments	698,648
Cash at Hand as at 5 June 2021	4,689,814

Appendix 2 - Summary of Retentions Held In Trust

Arrow International (NZ) Limited (in Liquidation) Summary of Retentions Held in Trust 28 February 2019 to 5 June 2021	Voluntary Administration \$ (excl GST)	Liquidation \$ (excl GST)	Total \$ (excl GST)
Opening Retentions Balance held in Trust			5,614,052
Receipts			
Interest Received	3,311	17,486	20,797
Total Receipts	3,311	17,486	20,797
Payments			
Retentions Released	1,087,230	3,868,745	4,955,975
Interest Paid		17,948	17,948
Total Payments	1,087,230	3,886,693	4,973,924
Closing Balance as at 5 June 2021			660,925



Appendix 3 - Summary of Liquidators' Fees

	Hourly Rate	Asset Realisation		Creditors		Administration		Investigation		Reporting		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Liquidator	513	5	1,937	22	11,967	7	3,770	0	0	0	0	34	17,673
Partner	482	0	111	25	11,848	11	5,333	0	0	0	0	36	17,292
Associate	398	2	876	29	11,436	15	5,899	0	0	1	239	46	18,449
Senior Manager	357	0	0	22	7,821	33	11,678	0	0	1	425	56	19,924
Manager	318	0	0	54	17,036	0	0	0	0	0	0	54	17,036
Assistant Manager	253	0	98	43	10,820	43	10,763	0	0	8	2,178	94	23,858
Senior Analyst	194	0	0	94	18,164	22	4,275	2	410	0	0	118	22,849
Administration	181	0	0	0	0	79	14,344	0	0	0	0	79	14,344
Total	293	8	3,022	287	89,090	211	56,061	2	410	9	2,842	517	151,424

Disbursements	Cost
Courier	208
Travel	16
Total	224