



**H CONSTRUCTION SCHOOLS 2 PPP LIMITED
(IN LIQUIDATION) (“the Company”)**

Company number: 5508209

**Liquidators’ Seventh Report to Creditors and
Shareholders**

Reporting Period: 22 December 2020 to 22 June 2021



1. Introduction

Andrew Bethell and Andrew McKay were appointed joint and several liquidators (“Liquidators”) of H Construction Schools 2 PPP Limited (In Liquidation) (“the Company”) by a special resolution of the shareholder at 3.58pm on 22 June 2018 in accordance with section 241 (2)(a) of the Companies Act 1993 (“the Act”).

On 31 March 2021, Andrew Bethell retired as liquidator of the Company and Rees Logan was appointed in his place. Andrew McKay continues to act as liquidator.

The Company is part of a larger group of entities with H Construction North Island Group Limited (in receivership and in liquidation) as the shareholder and Orange H Group Limited (in receivership and in liquidation) as the Group holding company.

In accordance with section 255 of the Act we are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six-month period.

This report should be read in conjunction with our previous reports pursuant to section 255 (2) (c) of the Act.

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 Liquidation of the Company

We have previously advised that the Liquidators have reserved their position in regard to McConnell Limited’s purported entitlement to any residual funds from the \$10.5m Performance Bond which was called and paid.

The Liquidators are in ongoing contact with the project managers involved in supervising the defect remediation. To date over \$2m of the performance bond has been drawn on by Future Schools Partners LP to fund defect remediation and we are advised that additional remediation costs are likely to exceed a further \$1.1M. It is not known at this stage when defect remediation will be completed, and we will continue to monitor the situation to determine whether there are likely to be any surplus funds available.

3.2 Schedule of Receipts and Payments

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

3.3 Asset Realisations

There have been no realisations in the reporting period.

3.4 Creditors Claims

Secured Creditors

The liquidators have received 3 claims from secured creditors totalling \$10.8m.

Preferential Creditors

No preferential claims have been received in relation to the Company.

Unsecured Creditors

As advised in our last report, 35 unsecured claims totalling \$1.543m have been lodged in the liquidation. No further claims have been lodged in the reporting period.

We are yet to assess creditor claims. At this stage, distributions to unsecured creditors appear unlikely unless the liquidators can successfully obtain residual funds (if any) from the performance bond.

4. Further proposals for completing the liquidation

The following further actions are proposed:

- Recover receivables due under the construction contracts (if any);
- Continue to correspond with the project manager as defects are rectified and the residual balance of bond and contract receivables are quantified;
- Continue our investigation into the affairs of the Company;
- Assessing other areas of potential recovery; and
- Complying with our statutory obligations.

The liquidators will pursue any other avenues of recovery subject to the availability of funding and an assessment of the benefits to creditors.

5. Liquidators' Fees

Attached as Appendix 2 is a breakdown of the liquidators' fees for the reporting period.

6. Estimated date of completion

It is not practical to estimate the date of the completion of the liquidation at this stage. 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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Email: bri.akl@bdo.co.nz

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PO Box 2219
Level 4, BDO Centre
4 Graham Street
Auckland 1010

Dated this 20th day of July 2021

A handwritten signature in black ink, appearing to read 'Rees Logan', written in a cursive style.

Rees Logan
Liquidator



APPENDIX 1 - SUMMARY OF RECEIPTS AND PAYMENTS

H Construction Schools 2 PPP Ltd (In Liq)	
Receipts & Payments from 22.12.2020 to 22.06.2021	GST Excl \$
Opening Balance	22,792
RECEIPTS	
Bank Interest	56
Total Receipts	56
PAYMENTS	
Liquidators Fees and Disbursements	2,640
Repayment of Advances from Orange H Group	16,352
Net GST	396
RWT	16
Total Payments	19,404
Cash on Hand	3,443



APPENDIX 2 - LIQUIDATORS' REMUNERATION REPORT

H Construction Schools 2 PPP Ltd (In Liquidation)	Admin		Asset Realisation		Reporting		Total		
	Rate	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Partner	565.00	0.83	470.84	0.00	0.00	0.83	470.83	1.67	941.67
Associate	395.00	0.50	197.50	0.30	118.50	1.40	553.00	2.20	869.00
Manager	380.00	0.75	285.00	0.00	0.00	0.50	190.00	1.25	475.00
Admin	184.99	1.92	354.57	0.00	0.00	0.00	0.00	1.92	354.57
Total	1,525.00	4.00	1,307.91	0.30	118.50	2.73	1,213.83	7.03	2,640.24