



ARROW INTERNATIONAL GROUP LIMITED (IN LIQUIDATION)

Company number: 3383875

Liquidators' Eleventh Report to Creditors and Shareholders

Reporting Period: 6 December 2023 to 5 June 2024

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 advised in our previous reports, 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 had 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

Inland Revenue's preferential claim against the Company has been paid in full.

Unsecured Creditors

Our assessment of unsecured creditors' claims to-date are as per the below table:

| Claim Status | \$ (incl GST) | Count |
|--------------|------------------|-----------|
| Admitted | 5,407,136 | 16 |
| Rejected | 1,657,145 | 3 |
| Total | 7,064,281 | 19 |

4. Distribution to creditors

To date, the liquidators have paid one interim distribution of 15 cents in the dollar to all admitted unsecured creditors.

The finalisation of this liquidation is dependent on the final distribution from the subsidiary company AINZL. As all matters regarding AINZL have now been resolved, it is anticipated that the Company will receive a final distribution from AINZL within the next 3 months at which stage a final distribution will be made to all admitted AIGL creditors. The likely final dividend is estimated to be between 3 and 3.5 cents in the dollar based on information currently available.

5. Liquidators' fees

Liquidators' fees for the period to date total \$1.8k net of GST and including 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:

- Finalising recovery of intercompany receivables;
- Distribute any remaining available funds to 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.

7. Estimated date of completion

Based on information currently available, the Liquidators estimate that the liquidation will be finalised within the next six months.

8. Contact information

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

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Email: bri.akl@bdo.co.nz

BDO Auckland
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Auckland

Dated this 24th day of June 2024

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 23 to 5 June 2024 | |
| \$ | |
| Opening Balance | 349,484 |
| Receipts | |
| Bank Interest | 7,033 |
| Total Receipts | 7,033 |
| Payments | |
| Liquidators Fees | 1,805 |
| Total Payments | 1,805 |
| Cash on Hand at 5 June 2024 | 354,712 |

Appendix 2 - Summary of Liquidators' Fees

| Position | Experience | Administration & Trading | Reporting | Total |
|----------------|------------|--------------------------|------------|------------|
| Partner | | 1.0 | - | 1.0 |
| Senior Manager | 7+ years | 0.7 | 1.8 | 2.4 |
| Support Staff | | 1.9 | - | 1.9 |
| Total | | 3.6 | 1.8 | 5.3 |

| Position | Rates (\$) | Administration & Trading | Reporting | Total |
|----------------------|------------|--------------------------|------------|--------------|
| Liquidator | 550 | 550 | - | 550 |
| Senior Manager | 379 | 263 | 648 | 910 |
| Support Staff | 180 | 345 | - | 345 |
| Total Fees | | 1,157 | 648 | 1,805 |
| GST (15%) | | 174 | 97 | 271 |
| Invoice Total | | 1,331 | 745 | 2,076 |

Note: No disbursements were paid during the reporting period