



McDonald
Vague

business recovery partners

ARROWMASTERS LIMITED (IN LIQUIDATION)

McDonald Vague Limited

Level 1, 136 Greenlane East,
Auckland 1051

PO Box 6092, Victoria Street West,
Auckland 1142, New Zealand

Liquidators' Fifth Report

For the period from 30 December 2022 to 29 June 2023

p: 09 303 0506

f: 09 303 0508

e: insol@mvp.co.nz

www.mvp.co.nz

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Keaton Pronk, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Arrowmasters Limited (In Liquidation) ("the company") on 30 June 2021.

Pritesh Patel was appointed Receiver and Manager over all present and after acquired personal property of the Company on 14 February 2020 pursuant to a General Security Agreement and Term Loan Agreement granted by the company in favour of Kensington Finance Limited Partnership. Mr Patel filed his final receivers report on 21 October 2021 and retired as Receiver.

This report has been prepared pursuant to Section 255(2)(d) of the Companies Act 1993 (**Act**) for the purpose of reporting on the liquidation of the Company. A Statement of Realisations and Distributions is **attached** as Appendix 1.

The report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

2 RESTRICTIONS

This report should be read in conjunction with the liquidators' previous reports.

This report has been prepared using the information known to us. We have not independently verified the accuracy or reliability of the information provided or undertaken audit of the Company. We do not accept any liability whatsoever to any party arising from the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 UPDATED INTERESTS STATEMENT

We have not become aware of any circumstances, relationships, or other facts since we last prepared an interests statement that create, or could reasonably be perceived as creating, a conflict of interest for us in relation to our independence as liquidators.

4 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

There have been no further realisations since the liquidators last report. The liquidators have continued to pursue legal resolution of amounts due to the company.

Since our appointment, we have:

- Interviewed the director and other parties with knowledge of the affairs of the Company
- Uplifted and reviewed the Company's books and records
- Investigated the affairs of the Company and the reasons for its failure
- Realised the assets outlined in previous reports.
- Made demand on outstanding debtors of the company.
- Corresponded with creditors and reported
- Continued participation in the legal proceedings the company has been joined to, including as the former trustee of the Ennismore Trust.

5 INVESTIGATIONS

The liquidators investigations into the books, records and affairs of the company is ongoing. As a result of the investigation the following matters arose:

Debtors

The Liquidators have identified related party debts. Demand has been made on all debtors for the outstanding balances. A statutory demand has been served on the debtor and winding up proceedings served. The debtor is defending the proceeding.

Legal Proceedings

The company has been added as a respondent to legal proceedings through the Family Court and now the High Court. The Liquidators are assessing their involvement in the proceedings. The Family Court matter was adjourned part heard in May 2022 and then transferred to the High Court. The applicant has had to amend her statement of claim (SoC) on several occasions now. The liquidators are assessing the applicant's most recent amended SoC.

Funds from the Sale of Property

\$800,000+ is currently held in two solicitors trust accounts relating to company assets (approx. \$250k) and trust assets (approx \$550k) realised during the receivership period. These funds are the subject of claims made in Family Court and High Court proceedings.

6 CREDITORS' CLAIMS

In the interest of minimising liquidator's fees, the liquidators will only formally accept or reject creditors' claims if there are funds available to pay a distribution.

The following claims have been received:

CLAIMS RECEIVED	NUMBER	VALUE	DISTRIBUTIONS	¢ IN THE \$
GSA Holders	0			
Specific Securities	0			
Employee Preferential Claims	0			
IRD Preferential Claims	1	\$9,000	\$0	\$0
Unsecured Claim	5	\$50,120	\$0	\$0

Further claims are expected to be received.

Since our third report the liquidators have rejected an unsecured creditors claim of \$819,758.93. This rejection of claim has not been challenged by the creditor.

The liquidators are aware from the books and records of the company of related party unsecured creditors owed \$1.766 million.

The company could be liable for debts incurred, but unpaid, for the period it was trustee of a trust.

7 FUNDS / LIKELY OUTCOME

It is too early to determine whether or not there will be a distribution to unsecured creditors.

8 COMPLETION DATE AND MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Resolution of the Family Court and High Court Proceedings
- Resolution of the outstanding debtors

The date of completion is now estimated to be within the next three years unless the issues can be resolved by alternative dispute resolution processes. This has been extended from the date originally provided in our earlier reports due to the delays in the Family Court hearing dates and the recent commencement of High Court proceedings.

9 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on DDI +64 (9) 969 1518 or by email to kpronk@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 1, 136 Greenlane East
Auckland 1051

P O Box 6092
Victoria Street West
Auckland 1142



Boris van Delden
LIQUIDATOR (Licence No: IP57)

Dated this 4th day of July 2023

Realisations and Distributions				2nd/subsequent	Since last report
Arrowmasters Limited (In Liquidation)					
30 June 2021 to 29 June 2023					
				29/06/2023	movement
Realisations					
	Funds from Receivership	-	7,886	-	
	Rent Income	-	1,690	-	
	Debtor Recovery	-	13,043	-	
	Interest	-	8	-	
	Sale of Property	-	308,526	-	
	Pre Liquidation GST Refund	-	3,601	-	
	Total Realisations	-	334,753	-	
Payments					
Liquidators Fees					
	Liquidators Fees	-	23,079	+329	
	Disbursements	-	307	-	
	Total Liquidators Fees	-	23,386	+329	
Other Costs of Liquidation and Trading On					
	Legal Fees	-	17,423	-	
	Insurance	-	948	-	
	Total Costs of Liquidation and Trading On	-	18,371	-	
Distributions					
	Mortgagee	-	292,947	-	
	Preferential Wages and Holiday Pay	-	-	-	
	Preferential GST and PAYE	-	-	-	
	Dividends to Unsecured Creditors	-	-	-	
	Total Distributions to Unsecured Creditors	-	292,947	-	
	Total Payments	-	334,704	+329	
	BALANCE HELD	-	49	-329	

Appendix One

ARROWMASTERS LIMITED (IN LIQUIDATION)

BREAKDOWN OF LIQUIDATORS REMUNERATION AND EXPENSES BILLED FOR THE PERIOD OF THE LIQUIDATION

30 June 2021 to 29 June 2023

Time costs by Position and Work Type	Hourly rate	Appointment Functions		Asset Realisation		Creditors & Report		Management & Tax		Investigation		Total	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Directors /Partners /Consultants/Liquidators	\$300 - \$400	14	5,434	6	2,204	13	4,906			24	9,003	57	21,547
Forensic Accountants / Associates	\$300 - \$380												
Insolvency Managers	\$140 - \$280												
Insolvency Accountants	\$140 - \$200	4	810					3	722			7	1,532
Secretarial & Clerical Assistants	\$50 - \$170												
Total		18	6,244	6	2,204	13	4,906	3	722	24	9,003	64	23,079

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	307
Total	307

An additional \$136,683 excluding GST of work has been completed by the liquidators but is unbilled to date.

Work completed includes but is not limited to:

Appointment	All matters on the commencement of the appointment
Creditors	All communications, claims, reporting, enquiries
Asset Realisations	All matters in respect of the potential sale of assets/business/IP and subsequent sale of assets including trading/debtors
Management & Tax	All matters in respect of statutory reporting and the management of the file
Investigation	Analysis of bank statements, review of historic transactions and accounts to identify avenues for recovery