



McDonald
Vague

business recovery partners

ARROWMASTERS LIMITED (IN LIQUIDATION)

McDonald Vague Limited

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Liquidators' Third Report For the period from 30 December 2021 to 29 June 2022

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

During the reporting period the following recovery has been made by the liquidators:

- **Debtors**
\$15,000 including GST was recovered from one of the car yard debtors owing unpaid rent. A statutory demand has been prepared and is in the process of being served on the remaining car yard debtor.

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 above listed assets in addition to 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 prepared and is in the process of being served on the debtor. Further legal proceedings to enforce the demands for payment will be assessed on a case by case basis.

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 the applicant has applied for it to be transferred to the High Court.

Funds from the Sale of Property

\$800,000+ is currently held in two solicitors trust accounts relating to the company and trust assets realised during the receivership period. Claims have been made over the funds in relation to 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	\$869,878.93	\$0	\$0

Further claims are expected to be received.

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 the first and second 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:

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Auckland 1142



Boris van Delden
LIQUIDATOR (Licence No: IP57)

Dated this 29th day of July 2022

Realisations and Distributions		Statement of Affairs	2nd/subsequent	Since last report
Arrowmasters Limited (In Liquidation)				
30 June 2021 to 29 June 2022				
			29/06/2022	movement
Realisations				
Funds from Receivership	-	7,886	-	
Rent Income	-	1,690	-	
Debtor Recovery	-	13,043	+	+13,043
Sale of Property	unknown	308,526	-	
Pre receivership GST Refund	-	3,195	-	
Total Realisations	-	334,340	+	+13,043
Payments				
Liquidators Fees				
Liquidators Fees	-	20,227	+	+8,716
Disbursements	-	307	-	
Total Liquidators Fees	-	20,534	+	+8,716
Other Costs of Liquidation and Trading On				
Legal Fees	-	17,423	+	+4,348
Insurance	-	948	+	+613
Total Costs of Liquidation and Trading On	-	18,371	+	+4,961
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	-	331,852	+	+13,677
BALANCE HELD	-	2,488	-	-634

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 2022

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			20	6,151	53	18,695
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	20	6,151	60	20,227

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	307
Total	

An additional \$106,725 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