



McDonald
Vague

business recovery partners

ARROWMASTERS LIMITED (IN RECEIVERSHIP & IN LIQUIDATION)

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

McDonald Vague Limited
Level 10, 33 Federal Street,
Auckland Central
PO Box 6092, Victoria Street West,
Auckland 1142, New Zealand

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 Receivership & 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 report.

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 receivership ended and:

- **Receivership Funds**
The Liquidators have recovered \$9,023.71 including GST being surplus funds and fees negotiated from the Receivership;
- **Debtors**
Demand has been made on two car yard debtors for unpaid rent.
- **Rental Income from Hendon Avenue, Mt Albert.**
The second unit was let and the Liquidators have recovered \$1,690 excluding GST from the rental of property owned by the company. We are pursuing further rent and outgoings recoveries.
- **Pre-Liquidation GST Refund**
The Liquidators have received \$3,194.50 from pre-liquidation GST returns that have been filed.
- **Sale of Property**
The property at 86 Hendon Avenue, Mt Albert, Auckland has been sold at market value by way of vendor finance with a related party in order to protect the property from the possibility it would realise much less in a mortgagee sale. The mortgagee was repaid as part of this process. The company has a debt back and because some funds existed in the deal, \$15,578.45 surplus funds were received in the sale process.

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.
- Made demand on outstanding debtors of the company.
- Corresponded with creditors and reported
- Continued legal proceedings the company has been joined to.

5 INVESTIGATIONS

The liquidators have 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 several related and unrelated party debts. Demand has been made on all debtors for the outstanding balances. 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. The Liquidators are assessing their involvement in the proceedings. The Family Court matter will likely have to be resolved to determine the validity of a related party creditor claim in the liquidation.

Funds from the Sale of Property

\$800,000+ is currently held in two solicitors trust accounts relating to the company assets realised during the receivership period, and also those of a Trust the Company was trustee of. Claims have been made over the funds in relation to Family 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 Proceedings
- Resolution of the outstanding debtors

The date of completion is estimated to be within the next two years. This has been extended from the date originally provided in the first report due to the delays in the Family Court hearing dates.

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 10

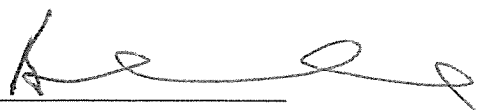
33 Federal Street

Auckland 1010

P O Box 6092

Victoria Street West

Auckland 1142



Boris van Delden

LIQUIDATOR (Licence No: IP57)

Dated this 17th day of February 2022

Appendix One

ARROWMASTERS LIMITED (IN RECEIVERSHIP & IN LIQUIDATION) BREAKDOWN OF LIQUIDATORS REMUNERATION AND EXPENSES BILLED FOR THE PERIOD OF THE LIQUIDATION

30 JUNE 2021 to 29 DECEMBER 2021

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	4	1,165	8	2,876			3	1,216	29	10,691
Forensic Accountants / Associates	\$300 - \$380												
Insolvency Managers	\$140 - \$280												
Insolvency Accountants	\$140 - \$200	4	810					1	30			5	840
Secretarial & Clerical Assistants	\$50 - \$170												
Total												34	11,511

Disbursements	Cost
Airfares - domestic	
Local Travel	
General Expenses	307
Total	

An additional \$62,578 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

Realisations and Distributions

Statement of
Affairs

2nd/subsequent

Since last report

Arrowmasters Limited (In Liquidation) 30 June 2021 to 29 December 2021

29/12/2021 movement

Realisations			
Funds from Receivership	-	7,886	+7,886
Rent Income	-	1,690	+1,690
Sale of Property	unknown	308,526	+308,526
Pre receivership GST Refund	-	3,195	+3,195
Total Realisations	-	321,297	+28,349
Payments			
Liquidators Fees			
Liquidators Fees	-	11,511	+11,511
Disbursements	-	307	+307
Total Liquidators Fees	-	11,818	+11,818
Other Costs of Liquidation and Trading On			
Legal Fees	-	13,075	+13,075
Insurance	-	335	+335
Total Costs of Liquidation and Trading On	-	13,410	+13,410
Distributions			
Mortgagee	-	292,947	+292,947
Preferential Wages and Holiday Pay	-	-	0
Preferential GST and PAYE	-	-	0
Dividends to Unsecured Creditors	-	-	0
Total Distributions to Unsecured Creditors	-	292,947	+292,947
Total Payments	-	318,175	+292,947
BALANCE HELD	-	3,122	+3,122