

## ***Liquidators' Six Monthly Report***

### ***GODEK INTERNATIONAL LIMITED (IN LIQUIDATION)***

#### ***Introduction***

On 6 May 2016 at 1.35pm, Iain Bruce Shephard and Heath Leslie Gair were appointed liquidators jointly and severally of Godek International Limited by Order of the High Court in Auckland. Heath Gair retired as liquidator on 12 August 2016.

This is our six monthly report required by Section 255(2)(d) of the Companies Act 1993 and is to be read in conjunction with our previous report.

#### ***Background***

Godek International Limited (now in liquidation) ("Godek International") is a New Zealand based related entity of Godek International Pty Limited, an Australian based construction company.

Godek International commenced trading in Christchurch in 2014 in order to take part in the Christchurch rebuild.

The Company undertook two major developments.

The Company had proposed a creditor compromise which was due to be voted on at a meeting of creditors on 10 May 2016. A major creditor had intended to vote down compromise and therefore in order to preserve value, commenced liquidation proceedings.

#### ***Liquidators' Actions***

The liquidators have liaised with many parties including Inland Revenue, the Companies Office, the New Zealand Gazette and the Accident Compensation Corporation, and completed a review of all information received.

The liquidators advertised their appointment in the relevant publications and made a call for creditor claims. The liquidators also directly contacted all known creditors and answered any queries they may have had. The liquidators subsequently reviewed all completed creditor claim forms received.

The liquidators have reviewed the actions of the director with consideration as to whether there were any potential breaches of appropriate sections of the Companies Act 1993. The liquidators' investigations have thus far included speaking with the director, examining the

Company's financial statements and considering the Company's bank transactions. The Liquidators do not consider that there would be any avenue of recovery against the Director.

## *Realisation of Assets*

### *Tangible Assets*

As previously reported, the small quantity of fixed assets were sold via public auction for \$4,648.55

### *Construction Contracts*

Our last report set out the difficulties that the liquidators faced in pursuing a claim against Leighs Cockram JV for the Burwood Hospital Contract. The Liquidators had invested significant time and resources into compiling the claims against Leighs Cockram JV.

The liquidators sought independent advice from a quantity surveyor who has met with a Godek representative and Leighs Cockram JV. Whilst it appeared that there are some variations that have merit, it would be unlikely that sufficient variations would be approved that would result in a positive payment schedule. Moreover, the nature of the contract and the variations would mean that a full re-measure would be required which would come at a significant cost.

The Liquidators' determined that there was no merit in pursuing the potential variations from Leighs Cockram JV. Leighs Cockram JV have filed a claim in the liquidation for approximately \$3m which has been accepted by the liquidators.

In addition to this, Godek had an adjudication with Fletcher Construction in respect of work undertaken on the Judicial Precinct in Christchurch. Unfortunately, and surprisingly for both parties, the adjudication resulted in an award in favour of Fletcher Construction. The liquidators are seeking legal advice in respect of this and determining whether an application to the High Court is appropriate.

### *GST Refunds*

The Liquidators have received \$345,572.11 in GST refunds to date. The liquidators have filed a further GST return with Inland Revenue which seeks a refund of in excess of \$400,000. Inland Revenue are currently reviewing the return.

## *Creditors' Claims*

### *Secured Creditors*

The only secured creditor related to the lease of two vehicles which were subsequently disclaimed. The balance owing to the secured creditor has been classified as an unsecured claim in the liquidation.

## *Preferential Creditors*

The liquidators have received one preferential claim for \$3,942 for court awarded petitioning creditor costs. These costs have been paid in full.

The liquidators received \$15,000 in seed funding from a creditor in order to undertake investigations into the potential recoveries from Leighs Cockram JV and Fletcher Construction. This advance is a preferential claim in the liquidation and has subsequently been repaid.

## *Unsecured Creditors*

The liquidators have received 18 unsecured claims, totaling \$2,907,445.58.

## *Prospect of a Distribution*

There will be a distribution to unsecured creditors. The Liquidators are hopeful of receiving the GST refund shortly at which point a distribution to creditors will be undertaken.

## *Receipts and Payments*

A schedule of the liquidators' receipts and payments is enclosed.

## *Estimated Date of Completion*

It is not practical to estimate the date of completion at this time.

## *Contact Details*

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**IAIN SHEPHARD**  
Liquidator

**Dated 18 August 2017**

## GODEK INTERNATIONAL LIMITED (IN LIQUIDATION)

### *Schedule of Liquidators' Receipts & Payments*

**As at: 18 August 2017**

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#### **Receipts**

Funding	15,000.00
Inland Revenue - GST Refund	345,572.11
Interest	1,514.08
Proceeds Pre Liquidation Account	71.27
Sale of Assets	4,648.55

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**366,806.01**

#### **Less Payments**

Bank Fees	36.00
Consultancy Fees	6,526.65
Contractor Fees	29,629.41
Court Awarded Costs	3,942.00
Interest	620.25
Legal Fees	25,188.05
Liquidators Costs & Disbursements	129,643.30
Preferential Creditor Distribution	15,000.00
RWT	498.98

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**211,084.64**

#### ***Liquidators' Bank Account***

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**155,721.37**