

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

The small quantity of fixed assets were sold via public auction for \$4,648.55

Pre Liquidation Bank Account

The pre-liquidation bank account held \$71.27.

Construction Contracts

As at the appointment of liquidators the Company had a contract with Leighs Cockram JV for the wall linings and associated services at the newly constructed Burwood Hospital in Christchurch.

The effect of the liquidation was that Leighs Cockram JV cancelled the contract. The final payment certificate from Leighs Cockram JV currently stands at negative \$3.1m. There are a tranche of unapproved variations that total some \$6m.

The liquidators have sought independent advice from a quantity surveyor who has met with a Godek representative and Leighs Cockram JV. Whilst it would appear that there are variations that have merit, it would seem 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.

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 are filing GST returns as required which, as a consequence of the unpaid creditors, ought to result in significant GST refunds to the Company.

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 claims for \$3,942 for court awarded petitioning creditor costs.

The liquidators have also 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.

Unsecured Creditors

The liquidators have received 16 unsecured claims, totaling \$2,603,892.40.

Prospect of a Distribution

There is a possibility of a distribution to unsecured creditors however the quantum of such distribution cannot be confirmed at this time, and is strictly subject to the approval and receipt of GST refunds.

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 30 November 2016

GODEK INTERNATIONAL LIMITED (IN LIQUIDATION)

Schedule of Liquidators' Receipts & Payments

As at: 30 November 2016

Receipts

Funding - Trade Force	15,000.00
Inland Revenue - GST Refund	62,388.66
Interest	22.12
Proceeds Pre Liquidation Account	71.27
Sale of Assets	4,648.55

82,130.60

Less Payments

Bank Fees	18.00
Consultancy Fees	11,526.65
Legal Fees	2,343.85
Liquidators Costs	60,573.40
Liquidators Disbursements	7,047.74
RWT	6.64

81,516.28

Liquidators' Bank Account

614.32