

# Liquidator's Second Six Monthly Statutory Report

**Decmil Construction NZ Limited  
(in Liquidation)**

**Company Number: 5422686**

**For the period:  
15 October 2020 to 14 April 2020**

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## Appendices

- A Receipts and payments
- B Remuneration report

## 1 Introduction

As you would be aware, I, Dermott Joseph McVeigh of Avior Consulting, was appointed as liquidator of Decmil Construction NZ Limited (in Liquidation) (**the Company**) on 15 April 2020 at 3:40pm by the sole shareholder pursuant to section 241(2)(a) of the Companies Act 1993 (**Act**).

I set out below my second six monthly statutory report of the Company as required by section 255(2)(d) of the Act.

This report should be read in conjunction with my previous report dated 12 November 2020 and other correspondence to creditors since my appointment as Liquidator, which are available on my firm's website.

## 2 Restrictions

This report has been prepared in accordance with and for the purpose of section 255 of the Act. It is prepared for the sole purpose of reporting on the state of affairs of the Company and the conduct of the liquidation.

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than the above without my written permission. The report is prepared based on the information available to me in the liquidation. I express no opinion on the reliability, accuracy or completeness of the information provided to me and upon which I have relied.

I, my employees, agents and advisors do not assume any responsibility or liability for any losses occasioned to any party for any reason including as a result of the circulation, publication, reproduction or use of this report.

I reserve the right (but will be under no obligation) to review this report and, if considered necessary, to revise the report in light of any further information coming into existence after the date of this report.

Certain values included in tables in this report have been rounded and therefore may not add up exactly. Unless otherwise stated, all amounts are in New Zealand dollars.

## 3 Background

The Company was established in 2014 to provide civil engineering contracting and consulting services, and it had success in completing a number of large construction contracts for customers including the Ministry of Education and the New Zealand Defence Force.

The Company was placed into liquidation due to an unresolved dispute with the New Zealand Department of Corrections (**Corrections**) in relation to a \$198m rapid deployment prison accommodation (**RDP**) contract. The contract was terminated, resulting in significant losses being incurred by the Company. The directors and shareholder concluded that the Company could not continue trading and proceeded to have the Company wound up. I was appointed on 15 April 2020.

## 4 Conduct of the liquidation during the reporting period

### 4.1 Receiver and Manager Application

The High Court of New Zealand (**Court**) heard my application to be appointed Receiver and Manager of the retention trust fund on 31 March 2021. As at the date of this report, the Court has yet to deliver its decision in this matter. I currently understand that the Court will likely deliver its decision by 30 June 2021. I will notify creditors once the decision has been handed down.

### 4.2 GST receivable

The books and records of the Company indicate \$867k of GST as being receivable as at the date of my appointment. I conducted a review of the Company's position and I engaged in correspondence with the IRD in an attempt to recover this pre-appointment GST amount.

The IRD has so far disallowed the release of pre-appointment GST refund. It is my view that the pre-appointment GST amount may be recoverable and I continue to engage with the IRD in this regard.

### 4.3 Retention Trust

As explained in my circular to creditors dated 16 December 2020, my Court application for directions as to the status of the funds held at the commencement of the liquidation was resolved with the establishment of a retentions trust in the amount of \$3.31m. These funds are held in my solicitor's trust account. I will be in a position to take further steps in relation to the retentions creditors and their claims once the Court's decision, discussed above in section 4.1, is delivered.

## 5 Receipts and payments

Attached at **Appendix A** is a statement of receipts and payments for the six-month period ending 14 April 2021.

## 6 Report on Liquidator's remuneration

The remuneration received for the period between 15 October 2020 to 14 April 2021, charged at hourly rates and including disbursements, totalled \$406,075 exclusive of GST. I am satisfied that the remuneration incurred was in respect of necessary work, properly performed, in the conduct of the liquidation.

A detailed breakdown of the remuneration and disbursements for the six-month period is enclosed at **Appendix B**, including a schedule of the qualifications and experience generally of staff at each level.

## 7 Remaining matters

I continue to investigate the affairs of the Company and its directors in the period prior to my appointment to determine if there may be any further avenues of recovery available to the Company.

## 8 Estimated date of completion and dividend

It is currently too early to estimate a completion date for the liquidation or the likelihood of a dividend being paid to creditors other than retention creditors. My subsequent reports to creditors will, when appropriate, advise of an estimated completion date and provide updates in relation to dividend prospects.

## 9 Contact information

Enquiries regarding the liquidation should be directed to:

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This report and all preceding and subsequent reports will be made available on the above website.

Dated 13 May 2021

Yours faithfully  
**For the Company**



**Dermott McVeigh**  
Liquidator

Encl.



**Decmil Construction NZ Limited (in Liquidation)**  
**Summary of Receipts and Payments (GST Inclusive)**  
**15 October 2020 to 14 April 2021**

<b>Receipts and payments</b>		<b>\$</b>
<b>Cash at bank as at 15 October 2020</b>		2,405,578
<b>Receipts</b>		
Retentions Trust contribution		1,100,000
Other receipts		955,048
Assets realisations		10,062
IRD refund		5,865
Interest received		5,684
ACC Levy refund		2,976
<b>Total receipts</b>		<b>2,079,635</b>
<b>Payments</b>		
Legal costs		488,179
Liquidator's fees		406,075
Accounting and consulting costs		99,324
Court fees		3,200
Foreign exchange gains / (losses)		837
Sundry		663
Bank charges		267
<b>Total payments</b>		<b>998,545</b>
<b>Cash at bank as at 14 October 2020</b>		<b>3,486,668</b>



**Decmil Construction NZ Limited (in Liquidation)**  
**Liquidator's Remuneration Report**  
**15 October 2020 - 14 April 2021**

	Hourly Rate \$	Assets realisations		Dept of Corrections		Creditors		Retentions		Administration		Total	
		Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)
Partners	590	76.5	45,135	60.8	35,872	45.9	27,081	198.6	117,174	13.8	8,142	395.6	233,404
Senior Managers	475	25.5	12,113	-	-	47.7	22,658	30.5	14,488	53.8	25,555	157.5	74,813
Senior Analysts	275	138.3	38,033	-	-	103.1	28,353	28.7	7,893	6.1	1,678	276.2	75,955
Analysts	220	2.9	638	-	-	14.4	3,168	19.7	4,334	50.8	11,176	87.8	19,316
Support Staff	180	-	-	-	-	-	-	-	-	14.4	2,588	14.4	2,588
<b>Total</b>		<b>243.2</b>	<b>95,918</b>	<b>60.8</b>	<b>35,872</b>	<b>211.1</b>	<b>81,259</b>	<b>277.5</b>	<b>143,888</b>	<b>138.9</b>	<b>49,138</b>	<b>931.5</b>	<b>406,075</b>