



McDonald
Vague

business recovery partners

**Steelcap Holdings Limited
(In Liquidation)
(Trading as: Sanders Premier)**

**Liquidators' Eighth Report
(for the period from 3 May 2019
to 2 November 2019)**

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of Steelcap Holdings Limited ("the company") on 3 May 2016.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators are reporting on the progress of the liquidation. This eighth report should be read in conjunction with the liquidators' previous reports.

This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is **attached**.

2 RESTRICTIONS

Whilst all care and attention has been taken in compiling this report, 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 as at the date of this report but that becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Debtors

(Statement of Affairs: \$51,000)

The company's debtors were understated in our first report. The company's debtors as at the date of liquidation were recorded in Xero as \$69,865. Following the liquidators' appointment, \$10,719 was written off because it was either paid pre-liquidation or should not have been billed.

The liquidators have recovered \$55,740 from debtors for goods and services invoiced pre-liquidation and post-liquidation. All recoverable debtors have now been recovered.

3.2 Cash at Bank

(Statement of Affairs: \$776)

The liquidators realised \$828 from closing the company's bank account.

3.3 Stock, Fixed and Intangible Assets

(Statement of Affairs: \$113,000)

The company's stock, fixed assets, and intangible assets were sold as part of the sale of the business as a going concern. The liquidators have received payments totalling \$107,000 in reduction of the purchase price. The purchaser has had some cash flow issues that have resulted in delays in payment of the purchase price. As at the cut-off date for this report, there was \$6,000 remaining to be paid on the purchase price.

After the cut-off date, the purchaser was placed into liquidation. The liquidators have filed a secured claim in the purchaser's liquidation and have been advised that the company is likely to receive a distribution of the full secured amount owing. The liquidators are awaiting advice from the purchaser on whether any funds are likely to be available to the purchaser's unsecured creditors.

3.4 Interest

The liquidators have received interest totalling \$1,604 on funds held on interest bearing deposit since the date of liquidation.

3.5 Refunds

The liquidators have received GST refunds relating to pre-liquidation trading and bad debt write offs totalling \$11,621.

The liquidators have received a refund of \$116 for fees that had been pre-paid for a project that was not continued post-liquidation.

The liquidators have received a refund of overpayments to the Ministry of Justice totalling \$1,400.

4 INVESTIGATIONS

4.1 Books and Records

The liquidators have reviewed the company's books and records and have completed their investigations.

The liquidators have discussed matters of interest arising from their investigations with the relevant parties and have reached an agreement in principle to resolve these matters. As the liquidators do not want to prejudice this settlement, no further details are being provided at this time.

The liquidators have identified other transactions of interest but have determined that pursuing those transactions will not result recoveries for the benefit of the company's creditors.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

No secured claims have been received as at the date of this report. All of the securities that were registered against the company as at the date of liquidation have since been discharged.

The liquidators are aware of an unregistered general security granted over the company's assets, which was entered into with a related party.

No distributions have been made to any secured creditors.

5.2 Preferential Creditors

The total preferential claims for wages/salary, holiday pay, and KiwiSaver amounted to \$20,417, including employer KiwiSaver contributions. All of the employees' preferential claims have been paid in full.

The Inland Revenue Department has submitted a preferential claim for \$153,416. To date, interim distributions totalling \$40,000 have been made in reduction of the Inland Revenue Department's preferential claim.

5.3 Unsecured Creditors

As at the date of preparing this report, the liquidators have received 41 unsecured creditors' claims totalling \$294,789.

In the interests of minimising liquidators' fees, the liquidators will not attend to formally accepting or rejecting unsecured creditors' claims unless they are in a position to pay a distribution to that group of creditors.

6 FUNDS / LIKELY OUTCOME

On the information the liquidators currently hold, there will be a shortfall on the amount owing to the IRD in respect of its preferential claim in the liquidation and insufficient assets to pay the general security holder the amount secured (if any) in full.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Payment of distribution from the purchaser's liquidators
- Finalising settlement of matters arising from the liquidators' investigations
- Distribution of the balance of the business purchase price, once paid to the liquidators in full, and other funds held

8 ESTIMATED DATE OF COMPLETION

As a result of the liquidation of the purchaser, the liquidators are unable to estimate when they are likely to retire.

9 CONTACT DETAILS

Enquiries should be directed to Marisa Brugeyroux on DDI (09) 306 3340 or by email to mbrugeyroux@mvp.co.nz.

The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

Dated this 2nd day of December 2019

Realisations and Distributions

Steelcap Holdings Limited (In Liquidation)

3 May 2016 to 2 November 2019

Realisations	Per Statement of Affairs \$	Cash Received \$
Bank Account Closure	776	828
Refunds re Project Cancelled	-	116
Pre-Liquidation Debtors	51,000	55,740
Post-Liquidation Debtors	-	824
Ministry of Justice Refund	-	1,400
Bank Interest	-	1,604
Sale of Business Assets	113,000	107,000
Pre-Liquidation GST Refund	-	11,621
Total Realisations	\$164,776	\$179,133
Payments		
Liquidators Fees		
Liquidators Fees		59,738
Disbursements		1,077
Total Liquidators Fees		\$60,815
Other Costs of Liquidation		
Debt Collection Fees		786
Valuation Fees		2,250
Residents Withholding Tax on Interest		430
Bank Fees		133
Total Costs of Liquidation		\$3,599
Distributions		
Employees – Wages and Holiday Pay		20,417
Inland Revenue Department – Preferential Claim		40,000
Total Distributions to Creditors		\$60,417
Total Payments		\$124,831
BALANCE HELD		\$54,302

Note: the above figures are GST exclusive