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business recovery partners

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

Liquidators' Fifth Report
(for the period from 3 November 2017 to 2 May 2018)

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 fifth 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 $88,500 in reduction of the purchase price. There have been some cash flow issues that have resulted in delays in payment of the purchase price. The liquidators have been working with the purchaser and revised payment terms have been agreed between the parties. Regular payments in reduction of the purchase price are now being made, which should result in the purchase price for the business being paid in full before the liquidators' next report is published.

3.4 Interest

The liquidators have received interest totalling $558.13 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.

The liquidators' investigations identified a number of transactions that required further investigations. The liquidators have determined that pursuing some of those transactions will not result in a benefit to creditors. The liquidators are still investigating other transactions and determining whether pursuing those transactions are likely to result in a benefit to creditors.

5 CREDITORS' CLAIMS

5.1 Secured Creditors

No secured claims have been received as at the date of this report. Three financing statements remain registered over the company in favour of Advaro Funding Limited (for goods supplied), Woodmart Limited (for goods supplied), and The M.H.P. No. 1 Trust (over all present and after acquired property).

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 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.

The liquidators' investigations into the company's transactions in the period leading up to liquidation has not yet been completed but, because of the amounts owing to the Commissioner and the general security holder, it is unlikely that any actions taken following completion of the liquidators' investigations will lead to any recovery for unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Payment of the balance of the purchase price of the business
- Distribution of the balance of the purchase price, once paid to the liquidators in full
- Investigations into the company's transactions in the period leading up to liquidation

8 ESTIMATED DATE OF COMPLETION

It is too early for the liquidators to estimate the date of completion of this liquidation.

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 16 day of May 2018

McDonald Vague

Realisations and Distributions

Steelcap Holdings Limited (In Liquidation)
3 May 2016 to 2 May 2018

Realisations	**Per Statement of Affairs $**	**Cash Received $**
Bank Account Closure	776	828
Refunds re Pre-Liquidation Payments	-	1,516
Pre-Liquidation Debtors	-	55,740
Post-Liquidation Debtors	-	824
Bank Interest	-	558
Sale of Business Assets	113,000	88,500
Pre-Liquidation GST Refund	-	11,621
Total Realisations	**$113,776**	**$159,587**

Payments

Liquidators Fees	
Liquidators Fees	52,861
Disbursements	914
Total Liquidators Fees	**$53,775**
Other Costs of Liquidation	
Valuation Fees	2,250
Residents Withholding Tax on Interest	137
Bank Fees	133
Debt Collection Fees	786
Total Costs of Liquidation	**$3,306**
Distributions	
Employees – Wages and Holiday Pay	20,417
Inland Revenue Department – Preferential Claim	40,000
Total Distributions to Creditors	**$60,417**
Total Payments	**$117,498**
BALANCE HELD	**$42,089**

Note: the above figures are GST exclusive