



McDonald
Vague

business recovery partners

Supreme Meats & Smallgoods Limited (in Liquidation)

McDonald Vague Limited

33 Federal Street,
Auckland Central

Liquidators' Fourth Report

For the period from 20 July 2019 to 19 January 2020

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1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Accredited Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of Supreme Meats & Smallgoods Limited ("the company") on 20 July 2018 by the High Court at Auckland.

Bank of New Zealand Limited ("BNZ") appointed Andrew John Grenfell and Conor John McElhinney, of McGrathNicol Limited, as joint and several receivers and managers of all the assets, property and undertakings of the company on 23 March 2018. The receivers retired on 13 September 2019.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators are reporting on the progress of the liquidation. This fourth 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 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

At the time of the liquidators' appointment, the receivers were in control of the company's assets.

The receivers' final report dated 13 September 2019 advises that the sale of the company's business and assets settled on 3 April 2018 and that the receivers have collected the company's outstanding debtor balances.

4 INVESTIGATIONS

The liquidators' investigations into the books, records and affairs of the company are ongoing. As the liquidators do not want to prejudice their investigations or any potential claims arising from those investigations, no further detail is being provided at this time.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

A secured claim has been received from BNZ for \$2,861,078, which is secured pursuant to BNZ's General Security Agreement. The receivers' final report records that \$620,206 remains due to BNZ. Interest continues to accrue on the BNZ debt.

The liquidators have received secured claims from five creditors claiming specific securities over goods supplied and/or their proceeds totalling \$141,942. The receivers' final report advises that, save for BNZ, all secured claims have been resolved.

5.2 *Preferential Creditors*

The Commissioner of Inland Revenue has submitted a preferential claim of \$87,022 for GST, PAYE, and other employee deductions.

One employee has submitted a preferential claim of \$2,632 for unpaid wages and holiday pay.

The receivers' final report advises that the preferential claims in the receivership have been paid in full.

The High Court awarded the petitioning creditor costs and disbursement totalling \$4,876 on its application to have the company placed into liquidation. No distribution has been made to the petitioning creditor by the liquidators in respect of this preferential claim.

5.3 *Unsecured Creditors*

As at the date this report, 53 unsecured claims have been received totalling \$4,464,923.

According to the receivers' final report, there were no funds available for unsecured creditors at the end of the receivership.

In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution.

6 LIQUIDATORS' FEES

Approval has been given by the High Court for the hourly rates that may be charged to the company by the liquidators and their staff. To date, the liquidators have not taken any fees for work carried out.

The liquidators' total time costing and disbursements chargeable to the company to 19 January 2020 is \$20,693. The liquidators have undertaken 109.3 hours of work as follows:

Work Category	Hours	\$
Commencement	27.6	5,405
Statutory requirements	9.4	1,680
Creditors	16.1	2,800
Asset realisations	0.4	80
Taxation	1.7	300
Management	15.7	1,828
Investigations and legal	38.4	8,350
Disbursements		877
Total	109.3	21,320

Liquidators' fees in a Court ordered liquidation are to be approved by the Court. If required, a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Companies Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration, the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

7 FUNDS / LIKELY OUTCOME

According to the receivers' final report, there was \$620,206 owing to BNZ when the receivers retired.

Any distribution to unsecured creditors is dependent on the liquidators making recoveries from actions taken (if any), following the completion of their investigations.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Completing investigations
- Taking recovery action (if appropriate)
- Completion of liquidation and retirement of liquidators

9 ESTIMATED DATE OF COMPLETION

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

10 CONTACT DETAILS

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

The Liquidators can be contacted at:

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IAIN McLENNAN
LIQUIDATOR

DATED this 31st day of January 2020

Realisations and Distributions

Supreme Meats & Smallgoods Limited
(in Liquidation)
from 20 July 2018 to 19 January 2020

	Cash Received
Total Realisations	NIL
Total Payments	NIL
BALANCE HELD	NIL