



McDonald
Vague

business recovery partners

Supreme Meats & Smallgoods Limited (in Receivership & in Liquidation)

McDonald Vague Limited

Level 10, 52 Swanson Street,
Auckland Central

Liquidators' Second Report

For the period from 20 July 2018 to 19 January 2019

PO Box 6092, Wellesley Street,
Auckland 1141, New Zealand

p: 09 303 0506

f: 09 303 0508

e: insol@mvp.co.nz

www.mvp.co.nz

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.

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

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' report dated 29 November 2018 provided an update on the progress of the receivership. The receivers' report says that the sale of the company's business and assets settled on 3 April 2018 and that the receivers are continuing to collect the company's remaining debtors.

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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. Interest continues to accrue on the BNZ's debt. According to the receivers' most recent report, distributions totalling \$1,200,000 have been made to BNZ and \$1,918,313 remains due.

The liquidators have received secured claims from five creditors claiming specific securities over goods supplied and/or their proceeds totalling \$141,942. According to the receivers' most recent report, PMSI creditors have received distributions totalling \$12,407.

5.2 *Preferential Creditors*

According to the receivers' first report, employees' preferential claims totalling \$131,780 have been paid in full.

The Commissioner of Inland Revenue has submitted a preferential claim of \$87,022 and an unsecured claim of \$6,681. This claim has been forwarded to the receivers for consideration.

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 its preferential claim.

5.3 *Unsecured Creditors*

As at the date this report, 52 unsecured claims have been received totalling \$3,844,718. According to the receivers' most recent report, there are unlikely to be any funds available for distribution to unsecured creditors.

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 2019 is \$19,148. The liquidators have undertaken 97.0 hours of work as follows:

Work Category	Hours	\$
Commencement	27.4	5,345
Statutory requirements	0.4	85
Creditors	15.2	2,625
Asset realisations	0.4	80
Taxation	1.5	260
Management	14.1	1,633
Investigations and legal	38.0	8,270
Disbursements		850
Total	97.0	19,148

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' most recent report, there are still amounts owing to the secured creditor and they do not expect that they will have any funds available for unsecured creditors.

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

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Completing investigations and associated recovery actions
- Finalisation of receivership
- 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) or by email to mbrugeyroux@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141


PERI M FINNIGAN
LIQUIDATOR

DATED this 18 day of February 2019

Realisations and Distributions

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

	Cash Received
Total Realisations	NIL
Total Payments	NIL
BALANCE HELD	NIL
