



McDonald
Vague

business recovery partners

Coastal Cuisine NZ Limited (In Receivership & In Liquidation)

Receivers' Tenth Report

McDonald Vague Limited

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1 INTRODUCTION AND APPOINTMENT

On the 27 August 2012, Peri Micaela Finnigan and Roy Horrocks, Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers and managers of Coastal Cuisines NZ Limited by Tegel Foods Limited pursuant to all present and after acquired goods of Coastal Cuisine NZ Limited under the powers contained in the supply agreement, and the terms of the supply agreement dated the 30th day of April 2009 (which terms were reconfirmed in a supply agreement dated 8 June 2012) and which property consists of all goods supplied from time to time by the Secured Creditor to the company and includes all proceeds of such goods.

On 4 September 2012, Peri Micaela Finnigan and Roy Horrocks, Insolvency Practitioners of Auckland, were also appointed jointly and severally as receivers and managers of all the assets, property and undertakings of the company under the powers contained within a mortgage agreement dated 20 December 2011 in favour of S.H. Lock (NZ) Limited.

Pursuant to section 24 of the Receiverships Act 1993 ("the Act"), the receivers report herewith on the progress of the receivership. This tenth report should be read in conjunction with the receivers' previous reports.

On 7 December 2012, Gregory Sheriff and Timothy Downs of Grant Thornton were appointed liquidators of Coastal Cuisine NZ Limited by special resolution of the shareholders.

2 RESTRICTIONS

This report has been prepared in accordance with Section 24 of the Act. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of 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 which becomes known to us after that date.

3 CONDUCT OF THE RECEIVERSHIP DURING THE PRECEDING SIX MONTHS

Asset Realisations

There have been no further realisations since the receivers last report.

4 LEGAL ADVICE ON ENTITLEMENT TO PROCEEDS

The Receivers sought legal advice on the correct allocation of proceeds from debtor and asset recoveries. Following consideration of this advice the Receivers paid \$379,439 to S.H. Lock and \$70,000 to Tegel.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

At the date of this report the amounts due to our appointer are as follows:

	\$
Amount owing at the commencement of receivership being 9 August 2013	
S.H. Lock (NZ) Limited – First Ranking GSA	refer note 1 262,258
Weekend Holdings Limited – Second Ranking GSA	(approx) 4,000,000
Tegel Foods Limited – Specific Security (in debtor proceeds)	224,917
Balance outstanding (before interest and costs)	<u>\$5,374,350</u>

Note 1: S.H. Lock (NZ) Limited ("S.H. Lock") (following the trading on by the former receivers) is further owed a post receivership balance of \$96,972. S.H. Lock on commencement by the current receivers, were therefore owed \$359,230.

5.2 **S.H. Lock**

S.H. Lock at the date of the current receivers' appointment was owed \$359,230. They incurred a further \$20,208 in costs. They have received \$284,439 from debtors which comprises Tegel and non Tegel related recoveries from debtors who have paid to their account direct and \$95,000 from asset recoveries since the appointment of the Weekend Holdings Limited Receivers.

If no account is made to adjust for the Tegel funds of \$18,309 received by S.H. Lock, the S.H. Lock are technically fully repaid. The debtor funds however are required to be allocated in accordance with the terms of a Deed of Subordination with Tegel.

No adjustment has been sought as the recovery from PDNZ will remedy the overpayment to S.H. Lock and the underpayment to Tegel by allocating the first \$18,309 to Tegel. The Receivers will reconcile debtors and attend to a GST claim on bad debtors within the next GST period.

5.3 Tegel Foods

Tegel Foods Limited was owed \$224,917 at date of appointment and are owed further costs arising from the Receivership. To date, Tegel have received payment for post receivership purchases (the prior Receivers' trading on purchases) and received \$70,000 on 11 March 2013. As at the date of this report, Tegel's total debt including costs is \$214,798. This shortfall is subject to further change based on additional costs and potential future collections that Tegel may have entitlement to. There have been no further debtor recoveries since our last report. The agent has discontinued pursuit.

5.4 Preferential Creditors

At the commencement of the receivership, the following amounts were owed to preferential creditors.

	\$
Employees Claims –Holiday Pay and Redundancy	37,062
Inland Revenue – PAYE	83,236
Total	<u>\$120,298</u>

The likelihood is now that no recovery will be made.

5.5 Unsecured Creditors

The receivers do not anticipate that there will be funds available for distribution to unsecured creditors from the realisation of assets. S.H. Lock, Tegel and Weekend Holdings Limited, as secured creditors, and the preferential creditors, rank ahead of these creditors.

6 MATTERS DELAYING THE COMPLETION OF THE RECEIVERSHIP

We **attach** our report on receipts and payments. The funds recovered are not sufficient at date of writing this report to clear S.H. Lock in full. S.H. Lock hold funds that relate to Tegel supply.

S.H. Lock holds \$284,439. Tegel is entitled to no less than \$18,309 of these funds based on an analysis prepared by the receivers. The Receivers hope to remedy the over/under payment from funds now held.

The total recoveries to date are insufficient to clear the secured creditors (Tegel and S.H. Lock) and receivership costs. The total owing to the two secured creditors at commencement was \$583,000.

7 ESTIMATED DATE OF COMPLETION

The Receivers believe the receivership may be concluded within six months. The matter outstanding is now a final GST return and write off of bad debtors.

8 CONTACT DETAILS

Enquiries should be directed to the Keaton Pronk on (09) 969 1518 or by email to kpronk@mvp.co.nz.

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PERI M FINNIGAN
RECEIVER

DATED this 28th day of August 2017

Realisations and Distributions

Coastal Cuisine NZ Limited (In Receivership & In Liquidation) 27 August 2012 to 26 August 2017

Realisations	As Per Statement Of Affairs \$	Cash Received Prior Receiver \$	Cash Received Receiver \$
Plant and Machinery (Including Trucks)	73,200	}	90,871
Goodwill	10,000		
Stock	2,000		
High Ceiling Freezer	10,000		
Debtors	585,914		527,427
Bank Account Closure	-		4,864
GST Credits received from write off of bad debts (refer note 1)	-		99,724
Interest Received / Sundry	-		1,036
Lease Income	-		1,731
Vehicle – 2001 BMW X5	10,870		10,870
Sundry Receipts	-		74
Realisations			\$736,598
Total Realisations for Prior Receiver			
Advance from Lock Finance		98,100	
Bank Account Closure		6,200	
Debtors Recovered		20,497	
Loan Repayments		8,000	
Rent Received		7,500	
Realisations			\$140,297
Total Realisations	\$691,984		\$876,895
Payments			
Costs Charges & Expenses of Receiver (Lock & Tegel)			
Receivers Fees			158,175
Disbursements			4,570
Auction Fees			919
Bank Fees, RWT, Sundry Expenses			1,186
Debt Collection Costs			18,920
Electricity			1,925

Insurance Premiums	330
Legal Fees	13,763
Rent	4,091
Waste Disposal	235
Total Receivers Fees	\$204,114
Costs Charges & Expenses of Prior Receiver	
Receivers Fees	34,783
Trading On Costs incurred by former Receiver (paid by McDonald Vague)	28,250
Trading On Costs	129,473
Total Prior Receivers Fees	\$192,506
Total Costs of Receivership and Trading On	\$396,620
Distributions	
Secured Creditor – S.H. Lock (NZ) limited	379,439
Secured Creditor – Tegel Foods Limited	70,000
Total Distributions to Secured Creditors	\$449,439
Total Payments	\$846,059
BALANCE HELD (refer note 2)	\$30,836

Note 1: GST credits received were offset against GST payable for the August/September 2012 period. This resulted in a refund of \$99,724.

Note 2: Tegel still remain entitled to certain proceeds held by S.H. Lock. This should be remedied when a GST refund is applied for and received allowing a further distribution.