



McDonald
Vague

business recovery partners

STEWART SCOTT CABINETRY LIMITED (IN RECEIVERSHIP AND LIQUIDATION)

McDonald Vague Limited

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Receivers' First Report

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Keaton Pronk, Licensed Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers of the property of Stewart Scott Cabinetry Limited (In Receivership) ("the company") on 09 October 2020. The receivers were appointed under the powers contained within a General Security Agreement dated on the 4th November 2016 in favour of Kellow Trustees Limited, Marjorie Scott, Stewart Brian Scott, And Heather Dawn Wood, Jointly, As Trustees Of The Heather Wood And Brian Scott Children's Trust, Kellow Trustees Limited, Christopher Walkden Wood, And Heather Dawn Wood, Jointly, As Trustees Of The Wood Family Trust, Heather Dawn Wood And Stewart Brian Scott (Jointly And Severally Secured Creditor(S)).

Stewart Scott Cabinetry Limited was placed into liquidation by the High Court at Auckland pursuant to Section 241(2)(c) of the Companies Act 1993 ("the Act") on 23 October 2020. Elizabeth Helen Keene and Vivian Fatupaito, of Auckland, were appointed as joint and several liquidators of the company.

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 ATTACHMENTS

The following documents are attached to this report:

Appendix 1: Particulars of Assets and Liabilities

Appendix 2: Schedule of secured creditors' names and addresses

4 EVENTS LEADING UP TO OUR APPOINTMENT

The appointment arose from a default on a statutory demand issued under the General Security Agreement. Compounding factors as to why the demand went unremedied were a high level of historical debts carried by the company and the negative effects of Covid-19.

5 TRADING ON

The business is continuing to be traded on by the Receivers while we progress the sale of the business.

6 PARTICULARS OF ASSETS AND LIABILITIES

Particulars of the Assets and of the Debts and Liabilities of the Company as at the date of our appointment are provided at Appendix 1.

The information contained in the Statement of Affairs has been supplied by the company. We have verified some of the information supplied as noted below through valuations and investigations. The Statement of Affairs has been prepared for the purpose of the receivership and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

7 ASSETS COMPRISING THE PROPERTY IN RECEIVERSHIP

7.1 Shareholder Current Account

As at the date of our appointment the shareholder current accounts were \$487,663.21. We have been advised that the accounting around these current accounts is disputed.

7.2 Related Party Receivable

As at the date of our appointment there is a related party receivable on the balance sheet for \$235,530.

7.3 Property, Plant, Equipment and Vehicles

The assets of the company have been valued by an independent third party, we are working through the sale process for the business of the company. There a number of specific securities over assets of the company. A number of these securities are more than the value of the asset.

7.4 Work in Progress

As at the date of our appointment there was Work in Progress at various stage of completion of \$151,612. Deposits and part payments had already been accepted on some of this work. There was additional stock and labour still required to complete this work and valid purchase money security interests over a number of items.

7.5 Stock

As at the date of our appointment there was stock onsite. We are working through the sale process for the business of the company. There are valid purchase money security interests over a number of items.

7.6 Debtors

As at the date of our appointment there were completed debtors outstanding of \$31,936. Investigations are ongoing into what percentage of these are recoverable. There are valid purchase money security interests with tracing into the proceeds.

7.8 Cash in Bank

As at the date of our appointment there was \$538 in the company bank account.

8 PROPERTY DISPOSED OF TO DATE

No property has been disposed of as at the date of this report.

9 PROPOSALS FOR DISPOSAL OF RECEIVERSHIP PROPERTY

The receivers continue to trade the business to sell it as a going concern. Debtors are being collected and outstanding Work in Progress completed for the benefit of creditors.

10 LIABILITIES AND CREDITOR CLAIMS

10.1 Secured Creditors

At the date of our appointment the amounts due to our appointer (including accrued interest) were as follows:

Term loan accounts, accrued interest and overdue principal at 09 October 2020	1,322,529
Total	<u><u>\$1,322,529</u></u>

A schedule of secured creditors and their addresses is provided at Appendix 2, as required by Section 23(1)(c) of the Act.

10.2 Preferential Creditors

We estimate that there is approximately \$74,741 owing to employees for wages, holiday pay and redundancy pay.

The Inland Revenue Department has not yet provided us with a creditor's claim form but we understand that there are amounts due in respect of GST, PAYE and other payroll deductions in excess of \$823,291.

10.3 Unsecured Creditors

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$1,700,000.

The Receivers are not responsible for the administration of unsecured creditors' claims, however, it appears unlikely that there will be surplus funds available for unsecured creditors.

11 INFORMATION PROVIDED BY THE COMPANY

The directors of the company have co-operated in making available the information required by the receiver to complete this report.

12 FURTHER INFORMATION

If you are aware of any information that would assist the Receivers, please set the details out in writing, attach any supporting evidence and send it to us. Please note that the Receivers are more able to act on written information.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on the attached Confirmation of Amount Owing form. This report and all subsequent reports will be available on the Receivers' website at www.mvp.co.nz

13 ESTIMATED DATE OF COMPLETION

The Receivers believe the receivership will be concluded within the next two years.

14 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on DDI +64 (9) 969 1518 or by email to kpronk@mvp.co.nz.

The Receivers can be contacted at:

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33 Federal Street
Auckland 1010

P O Box 6092
Victoria Street West
Auckland 1142



Boris van Delden
IP57
RECEIVER

Dated this 10th day of December 2020

Stewart Scott Cabinetry Limited (In Receivership and Liquidation) Statement of Affairs

Statement of Affairs for the above named company as at 9 October 2020 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

ASSETS SPECIFICALLY PLEDGED	<i>Estimated to Realise redacted</i>	<i>Due to Secured Creditor 75,231</i>	<i>Deficiency Ranking as Unsecured</i>	<i>Surplus</i>
Vehicles	redacted	75,231	-	-
<i>Estimated surplus as regards specifically pledged assets</i>	\$ -	\$ 75,231	\$ -	\$ -

ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS

	<i>Book Value</i>	<i>Estimated to Realise</i>	<i>Due to PMSI Creditors</i>	<i>Surplus</i>
Debtors	31,936	15,000		15,000
Bank account balances	538	538		538
Stock	redacted	redacted	6,584	-
Work in Progress	151,612	redacted		-
Shareholder Current Account	487,663	redacted		-
Related Party Receivable	235,530	redacted		-
Total	184,086	15,538	6,584	15,538

Less preferential creditors

Employees	74,741
Inland Revenue Department	823,291
Total	898,032

ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S

	<i>Book Value</i>	<i>Estimated to Realise</i>
Property Plant and Equipment	redacted	redacted
Total	-	-

GENERAL SECURITY AGREEMENT HOLDER/S

First ranking General Security Agreement holder	1,322,529
Total	1,322,529

UNSECURED CREDITORS

Trade creditors	1,700,000
<i>Estimated deficiency as regards unsecured creditors</i>	\$1,700,000

Notes:

- The above estimates are subject to the costs of the receivership.
- Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

STEWART SCOTT CABINETRY LIMITED (IN RECEIVERSHIP)

Schedule of Creditors' Names and Addresses

Pursuant to Section 23(1)(c) of the Receiverships Act 1993

Creditor Name	Address 1	Address 2	Address 3
Acero Limited	Unit 2, 568	Maungatautari Road Rd 2	Cambridge 3494
Applico Limited	635 Great South Road	Penrose	Auckland 1061
Blum New Zealand Limited	621 Rosebank Road	Avondale	Auckland 1026
Burns & Ferrall Limited	477 Great South Rd	Penrose	Auckland
Fleetpartners Nz	61 Mountain Road	Mount Wellington	Auckland 1072
Hafele (N.Z.) Limited	16 Accent Drive	East Tamaki	Auckland
Hettich NZ Limited	18 Barmac Place	East Tamaki	Manukau City
Nukor Rental Limited	186 Station Road	Penrose	Auckland 1061
Ricoh Finance A Division Of Ricoh New Zealand Limited	60 Stanley St	Parnell	Auckland
Smartpay Rental Services Limited	Po Box 100490	North Shore Mail Centre	Auckland 0745
Heather Dawn Scott Stewart Brian Scott Kellow Trustees Limited, Majorie Scott, Stewart Brian Scott & Heather Dawn Woodchristopher Walkden Wood, Heather Dawn Wood And Kellow Trustees Limitedstewart Brian Scott And Wl Trustee Scott Limited	C/- Ndca Limited	P O Box 230211	Botany 2163