



S.G.L. Holdings Limited (In Receivership)  
T/A Paper Plus Feilding (“the Company”)

Company number: 860140

**Receivers’ First Report on the State of Affairs**

Pursuant to Section 23 of the Receiverships Act 1993

**DATE 24 July 2018**



## 1. Introduction

Paul Thomas Manning and Kenneth Peter Brown were appointed joint and several receivers and managers (“Receivers”) of S.G.L. Holdings Limited (In Receivership) T/A Paper Plus Feilding (“the Company”) on 5 June 2018 under the terms of a General Security Agreement (“GSA”) dated 7 October 2015 giving the GSA Holder, Paper Plus New Zealand Limited, security interests or charges created by the GSA with all the powers conferred by the GSA and at law.

The company operations included a Paper Plus book store in Feilding, a café operated from the same premises as the book store, and a pop up Paper Plus store operating in Marton. The café operations ceased prior to our appointment.

## 2. Restrictions

This report has been prepared by us in accordance with and for the purposes of Section 23 of the Receiverships Act 1993. It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the Receivership.

All information contained in this report is provided in accordance with Sections 26 and 27 of the Receiverships Act 1993. In compiling this report we have relied upon and not independently verified or audited information or explanations provided to us.

We reserve the right (but will be under no obligation) to review this report and if we consider it necessary to revise the report in the light of any information existing at the date of this report which becomes known to us after that date.

Certain information can be withheld by the Receivers if inclusion would materially prejudice the exercise of the Receivers’ functions.

## 3. Events leading to our appointment

In the period leading up to the appointment, Paper Plus New Zealand Limited had concerns about the Company’s trading position and defaults under the security provided. Potential Receivers were approached and discussions were held, resulting in Paper Plus New Zealand Limited appointing Receivers and Managers.

## 4. Steps taken since our appointment

The Receivers have undertaken the following since their appointment:

- On date of our appointment, the Receivers closed the Marton Pop Up bookstore and removed all assets and stock to the Feilding site.
- Determined that continuing to trade the Feilding book store whilst a sale of the business as a going concern was sought provided the best chance of maximising recoveries for creditors;
- Gained the support of key staff, customers and suppliers to ensure continued trading;
- Arranged for an inventory count and valuation of the Company’s fixed assets;
- Undertaken a sale process for the assets of the Bookstore Café;
- Assessed the Personal Property Securities Register (“PPSR”) claims from suppliers;
- Reported to the appointing creditor;

- Liaised with employees and other stakeholders including unsecured creditors and the IRD;
- Taken legal advice on a range of issues;
- Dealt with finance and leasing matters;
- Undertaken a collection process for accounts receivable balances;
- Fulfilled our statutory obligations set out in the Receiverships Act 1993; and
- Negotiated a sale of the Feilding bookstore and sold all stock and assets except for some smaller café assets that were given to charity.

## 5. Particulars of assets

A statement of affairs at the time of our appointment is attached as Appendix 1.

## 6. Property disposed of and any proposals for the disposal of property

The business was advertised for sale in the Manawatu Standard, Dominion Post, and the Rangitikei Herald. It was also listed with ABC Business Sales. Two Confidentiality Agreements were sent out with only one being returned. A Sales Information Memorandum was forwarded to the interested party but no response was received. A sale has now been achieved with Paper Plus New Zealand Limited.

The plant and equipment associated with the Bookmark Café was advertised amongst other café owners in Feilding. The majority of the assets have now been sold. The remainder have been donated to charity as the cost of advertising and disposal outweighed any expected return.

## 7. Particulars of debts and liabilities currently outstanding and requiring to be satisfied from the property in receivership

### Amounts Owing to the General Security Agreement Holders

At the commencement of the receivership, the amounts owed to the GSA Holders was as follows:

ANZ Bank	\$157,069
Paper Plus New Zealand Limited	<u>\$340,000</u>
	\$497,069

### Secured creditors

Bidfood Limited	Discharged
Parnell Agencies Limited	Discharged
Simply Leasing	2,033
Coffee Supreme Limited	Discharged
Leasing & Finance Limited	
Partnership	2,910
Craig Potton Publishing Limited	1,947

Full particulars of securities registered against the Company's assets are attached as Appendix 2.

### Preferential creditors

#### Employees

Employees were paid up to the date of Receivership. Preferential holiday pay claims totalling \$13,667 are still owed.

#### IRD

A preferential claim has been received from Inland Revenue.

### Unsecured creditors

The process of realising the Company's assets is not yet complete, however due to the extent of secured claims it is unlikely there will be any funds available for unsecured creditors.

## 8. Default by the grantor in making information available

The Directors of the Company have been co-operative with the Receivers.

## 9. Receipts and Payments to 24 July 2018

We attach as Appendix 3 a copy of the receipts and payments to date.

## 10. Contact Information

If you require any further information, please direct enquiries to:

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Dated this

24<sup>th</sup> July 2018



**Paul Thomas Manning**  
Joint Receiver and Manager

*Partners and staff acting as Receivers or Administrators do so as agents of the company without personal liability.*

## APPENDICES

### Appendix 1 - Statement of Affairs as at 5 June 2018

	Estimated Realisable Value
<b>Assets</b>	<b>\$</b>
Trade debtors	27,339
Chattels - Bookstore	12,000
Chattels - Café	16,616
Motor Vehicle	6,750
Paper Plus Shares	31,085
Office Equipment	950
Stock (secured)	168,000
Stock (unsecured only)	31,000
<b>Total</b>	<u>293,740</u>
<b>Less Secured Creditors:</b>	
ANZ	157,069
Paper Plus New Zealand Limited	340,000
Bidfood Limited	Discharged
Parnell Agencies Limited	Discharged
Simply Leasing	2,033
Coffee Supreme Limited	Discharged
Leasing & Finance Limited Partnership	2,910
Craig Potton Publishing Limited	1,947
	<u>503,959</u>
<b>Preferential Creditors</b>	
Staff - Holiday Pay (Gross)	13,667
Inland Revenue Department - GST	60,469
Inland Revenue Department - PAYE	7,399
<b>Total</b>	<u>81,535</u>
<b>Deficit before Unsecured Creditors</b>	<u>(291,755)</u>
<b>Unsecured Creditors</b>	
Holiday Pay (Gross)	1,938
Inland Revenue - Penalties & Interest	11,226
Trade Creditors excluding PPSR	27,111
	<u>40,275</u>
<b>Estimated deficit (subject to costs of Receivership)</b>	<u><u>(332,030)</u></u>

## Appendix 2 - Securities Registered on the PPSR

04 Oct 2004	ANZ
26 Oct 2004	Paper Plus New Zealand Limited - Goods Other
14 Jun 2011	Bidfood Limited - Goods Other
13 Sep 2013	Parnell Agencies Limited
05 Nov 2015	Simply Leasing Limited - Goods Other
02 Dec 2015	Coffee Supreme Limited - Goods Other
27 Jul 2016	Leasing & Finance Limited Partnership - Goods Other
13 Nov 2017	Craig Potton Publishing Limited - Goods Other
31 Jan 2018	Paper Plus New Zealand Limited - All Present And After Acquired Personal Property



### Appendix 3 - Summary of Receipts and Payments to 23 July 2018

RECEIPTS	Total (NZD)
Cash in Hand / Float	756.00
Funds on Hand Pre Receivership	1,820.19
GST on Income	15,156.76
Interest Received	9.26
Pre Appointment Debtors	21,575.57
Receivers Trading Sales	81,520.58
Sale of Bookshop Chattels	186,003.00
Sale of Motor Vehicles	5,869.57
Sale of Office Equipment	950.00
Sale of Plant & Equipment	11,134.76
Sale of Unsecured Stock	19,628.00
	<u>344,423.69</u>
PAYMENTS	
Advertising	121.23
Bank Charges	521.77
Cleaning / Waste Services	212.57
Contractor Wages/Payments	6,715.42
Electricity / Gas	880.44
GSA Holder Payment - Paper Plus NZ Ltd	168,390.00
GSA Holder Payment - ANZ	11,320.00
GST on Expenses	9,007.67
Insurance	999.14
Legal Fees	2,182.18
Mileage	1,381.16
On Site Costs	877.92
PAYE	1,916.08
Printing & Stationery	201.00
Receivers Fees	22,852.28
Rent Paid	5,769.24
RWT	2.59
Searches	4.00
Security Costs	1,285.27
Storage	378.26
Telephone & Tolls	308.11
Trading Expenses - Receivership	11,327.41
Travelling Expenses	2,519.78
Valuation Fees	200.00
Vehicle Rental	176.10
Wages & Salaries	11,867.91
	<u>261,417.53</u>
Balances in Hand	83,006.16
	<u>176,033.69</u>