
Recession reports - SV Steel Supplies placed into external administration

Friday, 18 Sep, 2009

It is reported that SV Steel Supplies has been placed into external administration, leaving its customers and employees anxious for answers about promised goods and unpaid entitlements.

The primary business of SV Steel Supplies was the distribution of black steel products with some processing and value adding. SV Steel Supplies services various industries which include mining, industrial, engineering, handyman, fabrication and building.

Seven people were employed full time from the Mackay region; however, SV Steel also operates in Townsville, Gladstone, the Gold Coast and Brisbane Bay Islands. The current sole director is Mr Trent Small who founded the company in 2000 from humble beginnings.

Mr Clint Shipp branch manager of SV Steel Supplies Paget said that he had received a call telling him to put the phone on speaker and gather all the staff around. He added that "We were told our employment had been terminated. It was not good. They then gave instruction to shut the gates immediately. I tried to look after as many clients as I could before doing this. I didn't want them losing out if it all went to hell."

Mr Shipp said he had a feeling something was wrong with the company early in August when staff were forced to use their personal credit cards to pay for ordered goods. He added that "A lot of people are now out of pocket and are getting concerned. We're all in a bit of shock. I have been told that we won't get any entitlements, such as holiday leave, paid out. I think we will get one week's wage."

SV Steel Supplies also provides SV Kit Sheds which are used for mining accommodation, remote housing and holiday accommodation.

A spokesperson for Jessups Accountants and Business Advisors said the business's sales had been declining over the past six months and that there had been significant write off of bad debt. He added that "The director of the company believes this has been caused by the economic downturn. Prior to making the difficult decision to appoint administrators, the director had exhausted all financial options. We are talking to a number of interested parties that may want to purchase the business, in whole or in part."

(Sourced from www.dailymercury.com.au)

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