

9 September 2016

**Killarnee Contracting Pty Ltd
(In Liquidation) (the Company)
ACN 109 535 686**

Liquidator's annual report pursuant to section 508 of the Corporations Act 2001

I refer to the appointment of Darren Weaver and I as Joint and Several Liquidators of the Company on 9 June 2015. I advise that Darren Weaver has resigned from his role of Liquidator of the Company on 9 December 2015 following his retirement from the partnership of Ferrier Hodgson.

The Liquidation has now continued for more than one year (since 9 June 2015), and the Liquidator is required under section 508(1)(b) of the Corporations Act 2001 (the Act), to either:

- Convene a meeting of creditors: section 508(1)(b)(i); or
- Prepare a report that complies with section 508(3) of the Act, and lodge a copy of the report with the Australian Securities and Investments Commission (ASIC): section 508(1)(b)(ii).

I confirm that the Liquidator has decided not to convene a meeting of creditors. Therefore, this report is prepared pursuant to section 508(1)(b)(ii) of the Act, in lieu of such meeting.

As required under section 508(3) of the Act, this report sets out an account of the Liquidator's acts and dealings and the conduct of the winding up during the year ended 8 June 2016, and takes the following format:

1. Work Performed to Date
2. Asset Recoveries
3. Statutory Investigations
4. Creditor Claims
5. Receipts and Payments
6. Liquidators' Remuneration
7. Outstanding Matters to Finalise the Liquidation

1. Work performed to date

I advise that the Liquidators have carried out the following key tasks to date:

- Undertook investigations to identify any potential breaches of the Act.
- Lodged statutory reports with ASIC.
- Attendance to ongoing statutory requirements.

2. Asset recoveries

Plant and equipment

The Company had a 2008 Mitsubishi Triton Dual Cab (Mitsubishi Triton) and a 1999 Franna Mac 25 mobile crane (Franna Crane) registered under its name. The Mitsubishi Triton was realised by the Voluntary Administrators in November 2014, whereas the Franna Crane was realised by the Deed Administrators in May 2015. The Company's plant and equipment have since been realised in full.

Debtor

The Company has a book value of debtors totalling \$48,526, and which comprised rental arrears from a related entity, Killarnee Civil & Concrete Contractors (KCCC), in respect to the hire of plant and equipment (i.e. the Franna Crane).

In similar circumstances to the Company, KCCC has also been placed into Liquidation since 9 December 2014. Any recovery of the above outstanding amount will be dependent on the dividend available (if any) from the liquidation of KCCC. As such, I am unable to ascertain the recoverability of the above receivables at this stage.

4. Return to Creditors

Accounting for informal proof of debt received to date and based upon the Company's records, I estimate the Company's liability to unsecured creditors at \$183,234.

The figure is subject to the receipt and adjudication of final proofs of debt from creditors.

5. Statutory Investigations

Pursuant to section 533 of the Act, a Liquidator is required to report to ASIC in relation to the affairs of the company and identify any potential breaches of the Act. I advise that the investigation of the Company's affairs has been completed. Following the completion of investigation, a report has also been lodged with ASIC.

6. Receipts & Payments

I have summarised in the table overleaf, the Liquidators' receipt and payments for the period from 9 June 2015 to 31 August 2016:

Summary of Receipts & Payments For the period 9 June 2015 to 31 August 2016	Amount (\$) (Excl GST)	Amount (\$) (Excl GST)
Receipts		
Balance c/f from Deed of Company Arrangement		93,958
Payments		
Voluntary Administrators' fees	(53,723)	
Voluntary Administrators' disbursements	(1,107)	
Deed Administrators' fees	(7,959)	
Deed Administrators' disbursements	(99)	
GST control	(369)	
GST on payments	(6,289)	(69,546)
Cash balance as at 31 August 2016		\$24,412

7. Liquidators' Remuneration

Set out below is a summary of Liquidators' remuneration (GST exclusive) for the period of 9 June 2015 to 31 August 2016.

Description	Amount Approved (\$) (Excl GST)	Amount Incurred (\$) (Excl GST)	Amount Drawn /Paid (\$) (Excl GST)	Amount outstanding (\$) (Excl GST)
Liquidators' remuneration incurred for the period 9 June 2015 to 31 August 2016	Nil	14,047	Nil	14,047
Total	\$Nil	\$14,047	\$Nil	\$14,047

I have undertaken a proper assessment of our remuneration claimed for our appointment as Liquidators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration incurred is in respect of necessary work properly performed in the conduct of the Liquidation.

In respect of the outstanding Liquidator's remuneration, I note that I will be seeking approval from creditors in the near future. The payment of outstanding Liquidator's fees will be dependent on the funds available in the Liquidation including recovery from the Company's debtor.

8. Outstanding matters to finalise the liquidation

The key outstanding matters pending finalisation of the Liquidation are:

- Recovery from debtor. As discussed above, the recovery is dependent upon distribution of dividends from the debtor who is in Liquidation. I will advise the creditors as soon as I am able to determine whether a dividend is available.
- Subject to the availability of funds which may form the basis of a dividend, the Liquidator will be required to call for formal proofs of debt, and adjudicate such proofs for dividend purposes.

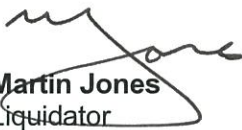
- Consider convening a final meeting of creditors and members under section 509 of the Act (if appropriate).
- Lodgement of final accounts with ASIC.

At this stage, it is anticipated that the liquidation will be finalised on or around mid-2017.

Should you require any further information concerning the contents of this report, or the liquidation in general, please do not hesitate to contact Yvonne Liew of this office.

Yours faithfully

Killarnee Contracting Pty Ltd



Martin Jones
Liquidator