

**ACN 050 019 960 Pty Ltd
(In Liquidation)
ACN 050 019 960
Formerly 'York Civil Pty Ltd'**

Statutory Report by Liquidators

10 December 2018

Contents

Section	Page
1 Introduction	2
2 Current position	2
3 Investigation into the Company's affairs	12
4 Return to creditors	13
5 Conclusion	14
Glossary	15
Annexures	16
A – Receipts & Payments	17
B – Proof of debt	18

1 Introduction

We refer to our Voluntary Administrators' Report dated 30 August 2018 (Voluntary Administrators' Report).

At the second meeting of creditors held on 10 September 2018, creditors resolved that the Company be wound up under Section 439C(c) of the Corporations Act 2001 and Martin David Lewis and Timothy David Mablesen be appointed Joint and Several Liquidators of the Company.

We now take this opportunity to report to creditors on the following matters relating to the liquidation of the Company:

- An update on the progress of the liquidation;
- The current position in relation to the realisation of assets;
- The progress of our investigations into the Company's affairs; and
- The likelihood of a dividend being paid in the liquidation.

This report should be read in conjunction with the information contained in our Voluntary Administrators' Report.

Whilst our investigations are ongoing, at this stage it is likely that there will not be a return to any class of creditor.

2 Current position

2.1 Matters addressed during the liquidation

Since our appointment as Joint and Several Liquidators of the Company, the following matters have been attended to:

- Collected and listed the books and records of the Company.
- Reviewed listing of books and records collected.
- Liaised with Gallaghers regarding certain pre-appointment insurance claims on foot.
- Liaised with Mason Gray Strange (MGS) and Slattery Auctions (Slattery's) regarding logistics for plant and equipment auctions and collection of various assets locally and interstate.
- Reviewed finance contracts. Reviewed payout figures / compared to auction realisable values.
- Liaised with suppliers holding PPSR registrations. Arranged for discharge of registrations that were not required.
- Arranged for letter of undertaking from the Bank regarding release of PPSR registrations following auction.
- Liaised with third party landlord regarding on-site auction.
- Arranged for the decommissioning of the Company's off-site server and associated IT equipment.
- Liaised with auctioneers regarding removal of confidential data from IT equipment prior to sale.
- Reviewed auction catalogues prior to sale.
- Attendance at auctions at Company's Regency Park premises and MGS' premises.
- Liaised with auctioneers regarding accounting of sale proceeds, including reviewing the listings to identify items of inventory.
- Regular correspondence with NRW regarding return of plant and equipment from Carapateena mine.
- Telephone attendances with auctioneers regarding post auction clean up of Regency Park and Hentschke Street premises.
- Correspondence with landlord of Regency Park premises regarding clean up and make good obligations post auction.
- Attended to payment of post appointment trading liabilities.
- Correspondence with WA Police regarding retrieval of missing equipment.
- Reviewed plant and equipment sales and compared to initial plant and equipment listing to determine that all material items were accounted for.
- Ongoing updates to and discussions with the Bank regarding outcome of auctions.
- Prepared accounting of plant and equipment proceeds and allocation of costs for purpose of return of funds to Bank.
- Considered GST treatment of asset sold to New Zealand purchaser and arranged for GST to be refunded.

- Liaised with the Office of the Australian Information Commissioner regarding query as to status of IT equipment sold and any data that was contained on same.
- Correspondence with various customers of the Company and JV partners regarding status of finalisation of projects and timing of return of bank guarantees, performance and maintenance bonds.
- Ongoing correspondence to the Company's debtors regarding payment of debts and set-off.
- Liaised with solicitors regarding arbitration in relation to pre-appointment debtor claim.
- Liaised with and extracted files from forensic image for JV partners.
- Liaised and regular telephone calls with the Bank and AssetInsure regarding status of return of bank guarantees and performance / maintenance bonds. A number of telephone conference calls have been held with AssetInsure in this regard.
- Correspondence with landlords of former Brisbane and Perth offices regarding accounting for bank guarantees called.
- Responded to enquires from creditors and employees in respect of their claims.
- Adjudicated several Proof of Debt forms at the request of credit insurers.
- Liaised with creditors to facilitate return of subcontractor bank guarantees, as required.
- Liaised with a tax specialist in relation to an ATO review of the Company's pre-appointment R&D claims, telephone conferences with the ATO regarding status of the review.
- Review of pre-appointment employee entitlements as calculated by the Company's staff.
- Liaised with the Department of Jobs and Small Business (Department) regarding Fair Entitlements Guarantee (FEG) claims, including in relation to provision of funding for verification services.
- Liaised with employees regarding employee entitlements and FEG claims.
- Liaised with the Department regarding verification of employee FEG claims.
- Liaised with authorities regarding surrender of the Company's licences in South Australia and Queensland.
- Arranged for cancellation of the Company's EPA licences.
- Undertook preliminary investigations into the Company's past financial performance and financial position.
- Prepared key word search of forensic image for purpose of investigations and brief review of the results of those searches.
- Notified Directors' insurers in relation to potential claims that may be the subject of directors' and officers' insurance policy.
- Engaged solicitors to assist generally with respect to this liquidation.
- Attendance to statutory requirements, including lodgement of Business Activity Statements.
- Preparing this Report.

2.2 Liquidators' realisations to date

Summary of receipts and payments

A summary of the receipts and payments in the Voluntary Administration (VA) and Liquidation to date are attached as **Annexure A**.

Creditors are advised that our account of receipts and payments can be inspected at the offices of Ferrier Hodgson, Level 6, 81 Flinders Street, ADELAIDE SA 5000, during business hours.

Asset realisations

Our receipts and payments for the VA and Liquidation for the period 10 September 2018 to 30 November 2018 are summarised as follows:

\$000s (GST exclusive)	Report Ref	VA	Liquidation	Total
Receipts - circulating assets				
Pre-appointment cash at bank	2.2.1	3	-	3
Pre-appointment debtors/potential claims	2.2.2	975	88	1,063
Inventory (net of realisation costs)	2.2.3	-	65	65
Sale of rights to continue specified contracts per ASA	2.2.4	60	-	60
Total receipts – circulating assets		1,038	153	1,191
Post appointment sales	2.2.5	233	36	269
Costs of trading	2.2.5	(355)	(222)	(577)
Administrators' remuneration and disbursements	2.2.6	(350)	(123)	(473)
Liquidators' remuneration	2.2.6	-	(75)	(75)
Legal fees		-	(53)	(53)
Other professional costs (meeting costs, public relations)		-	(88)	(88)
Net receipts / (payments) – circulating assets		566	(372)	194
Receipts and payments - non-circulating assets				
Plant and equipment	2.2.7	6	9,604	9,610
Less direct costs				
Auctioneers' commission and costs		-	(760)	(760)
Insurance / WHS		(77)	(20)	(97)
Wages – plant and equipment staff		-	(70)	(70)
Rent – Regency Park premises		(33)	(7)	(40)
Other costs of realisation		(2)	(2)	(4)
Administrators' remuneration	2.2.6	-	(242)	(242)
Liquidators' remuneration	2.2.6	-	(81)	(81)
Legal fees		-	(70)	(70)
Return to Bank	2.2.8	-	(8,008)	(8,008)
Net receipts / (payments) - non-circulating assets		(106)	344	238
GST (receivable) / payable		(9)	(12)	(21)
Net receipts / (payments) to 30 November 2018		451	(40)	411

We make the following comments:

2.2.1 Pre-appointment cash at bank

Refer to our Voluntary Administrators' Report.

2.2.2 Pre-appointment debtors / potential claims

As outlined in the Voluntary Administrators' Report, as at the date of our appointment, the Company recorded debtors of \$25.8 million comprised as follows:

Description	Note	\$000s
Company clients	2.2.2.1	6,143
JV debtors/potential claims	2.2.2.2	8,311
Non-current debtor	2.2.2.3	11,022
Related party debtors	2.2.2.4	93
Other debtors	2.2.2.5	221
Total		25,790

As debtors are tied to projects, in our experience, debtors of construction companies in voluntary administration / liquidation generally refuse to make payment pending the crystallisation of any claims that may be made against the insolvent company. This has occurred in the liquidation of the Company as discussed below.

2.2.2.1 Company clients

As at the date of our appointment as Voluntary Administrators, the Company was carrying on a number of projects in its own right and recorded debtor balances in relation to those projects as follows:

Project name	Debtor Balance (\$000s)	Comments
Bolivar Project	1,312	Prior to our appointment, this debtor was being held as there is in excess of \$4 million of unpaid subcontractors and other suppliers relating to this project. We have requested that SA Water provide details as to what arrangements have been made by it to complete the project including payments made to subcontractors. At the date of this report, despite numerous requests, no response has yet been received from SA Water. A full accounting in relation to this contract will continue to be pursued by us.
Hope Valley EL170 Tank Upgrade	152	SA Water have asserted that it can set-off this amount against losses it has indicated it will sustain on the Bolivar Project (refer above). We are currently seeking legal advice in relation to this position.
Barker Inlet Power Station	1,237	We have recovered \$693,000 of this claim. \$500,000 of this amount was paid for the sole purpose of enabling the Administrators to continue to trade until at least close of business on Friday 10 August 2018, notwithstanding that the debtor claimed the Company had no present entitlement to the claim. This enabled the HOA party to progress its due diligence enquiries in relation to a potential acquisition of the Company's assets. The further amount of \$193,000 was received as part of the consideration for the potential acquisition of certain contracts.

Project name	Debtor Balance (\$000s)	Comments
		The balance of this debtor was subject to a claimed entitlement to a statutory charge by a supplier.
Port Headland Berth 3	1,084	Prior to our appointment, payment was being held awaiting a bank guarantee to be provided. Following our appointment Pilbara Ports Authority terminated the contract in relation to this project. Pilbara Ports Authority's preliminary estimate is that the damages suffered from termination of the contract will exceed the amount of the Company's claim, however they have undertaken to provide a full accounting to us of this position in due course.
North Richmond Raw Water Intake	94	Following our appointment, Sydney Water Corporation terminated the contract in relation to this project. Sydney Water considers that it has paid the Company in full for its entitlements under the contract and have engaged an alternative contractor to complete the works, with those works expected to be completed by the end of January 2019. We will seek a full accounting once those works have been completed.
Dignams Creek Upgrade	1,864	The contract was terminated by RMS on 8 August 2018. At the date of this report, RMS is in the process of quantifying its provisional assessment of the losses it has sustained as a consequence of termination of the contract which RMS will set-off against the debt owed to the Company. A full accounting in relation to this contract will be pursued in due course.
Main South Road (Old Coach to Malpas) Upgrade	373	The Commissioner of Highways considers that it has deductions for rectification work that will exceed the amount of the debt owed to the Company. We have engaged one of the Company's former employees to review that position, with the review ongoing at the date of this report.
Main Roads WA	27	Main Roads WA have requested that we provide a statutory declaration that all subcontractors relating to the project have been paid in full or alternatively, an undertaking that if the funds were paid, they would only be paid to subcontractors and suppliers of the contract. We are unable to provide those undertakings as funds must be applied in accordance with the priorities set out in the Act. Discussions with Main Roads WA are ongoing at the date of this report.
Total	6,143	
Amount collected to date	693	

Given the above, it will likely take some time to resolve these claims and any further return to the Company is uncertain.

2.2.2.2 JV debtors / potential claims

As at the date of our appointment as Voluntary Administrators, the Company had JV debtors as follows:

JV debtor name	Debtor Balance (\$000s)	Comments
Downer EDI – York JV	2,937	Following our appointment as Voluntary Administrators, in accordance with the JV agreement, Downer EDI excluded the Company from further participation in the JV. At the date of this report, no profit or loss has been declared and the final profit or loss from the JV will not be known until completion of the project, including reaching agreement regarding variations. We note that completion of the project has not yet been achieved and may not be until the first quarter of 2019 (noting that this is an estimate only).
Ferrovial - York JV	301	Following our appointment as Voluntary Administrators, Ferrovia excluded the Company from further participation in the JV however Ferrovia is continuing to attend to completion of the works. Notwithstanding that payment of \$23,714 was received following our appointment, Ferrovia consider that the balance is not payable on the basis that Ferrovia has lodged a proof of debt for \$14.1 million and have asserted a statutory right of set off.
CPB Contractors - York JV	573	Following our appointment, CPB Contractors excluded the Company from further participation in the JV. CPB Contractors also requested that the Company remedy its performance default by 6 September 2018. The Company was not in a position to do so. In addition, CPB Contractors have lodged a proof of debt for \$3.8 million that it will likely seek to set-off against the outstanding claim.
OHL - York JV	3,377	Following our appointment as Voluntary Administrators, OHL notified us of immediate termination of the JV. OHL has lodged a proof of debt for \$1.5 million on account of its estimate of damages arising from termination of the JV. OHL is continuing to attend to completion of the works, manage and settle variations, rectify defects and discuss post completion obligations which will likely result in a claim that exceeds the value of the amount claimed by the Company as outstanding. OHL also considers that it is entitled to set-off \$7.8 million owed to OHLCP for a separate JV (refer below) on the basis that the two JVs were treated as if they were a common fund.

JV debtor name	Debtor Balance (\$000s)	Comments
		These claims are in the process of being reviewed and a full accounting will be sought from OHL in due course.
OHLCP - York JV	936	Following our appointment as Voluntary Administrators, OHLCP notified us of immediate termination of the JV. OHLCP also lodged a proof of debt for \$7.8 million on account of its estimate of damages arising from termination of the contract. OHLCP considers that it is entitled to set-off that amount against the amount claimed as owing by the Company. In addition, OHLCP considers that the Company has unpaid partner contributions to the OHLCP-York JV. OHLCP is continuing to manage completion of the works, rectifying defects and discussing post completion obligations. Accordingly, a full accounting will be sought from OHLCP in due course.
Rizzani - York JV	187	Following our appointment as Voluntary Administrators, we received payment of this amount in full from the JV. Rizzani continues to attend to the finalisation of the work and is also dealing with a substantial claim against the JV.
Total	8,311	
Amount collected to date	210	

Resolution of the above will likely take some time to resolve, including JV partners having possible offsetting claims and will depend on the overall outcome of the projects. The debtor balances/potential claims arise from work undertaken by the Company in the JV project. The balance does not include loan accounts with the JV or the Company's share in the JV's equity. Any further return to the Company from the above JVs is uncertain at this stage.

2.2.2.3 Non-current debtor

At the date of our appointment, the Company had an amount due from one of its customers which was carried in the balance sheet at \$7.8 million (impaired down from \$11.0 million). This claim is the subject of a dispute and was due to go to arbitration shortly following our appointment as Voluntary Administrators. However, the arbitration was postponed to allow us time to review the claim. A hearing of an application by the respondent took place on 28 November 2018. The respondent argued that the scope of the dispute referred to arbitration was narrower than contended for by the Company, that the claim was time barred and should be summarily dismissed and sought an order for security for costs. The Arbitrator issued a decision on 6 December 2018 and decided in favour of the Company on the first two points. The Arbitrator made an order for security for costs for an amount of \$476,000 (rather than the \$650,000 sought by the respondent). The next step in the Arbitration is a procedural conference, to be held on 18 December 2018 at which time we expect a timetable of future steps will be discussed. It will be necessary for the Liquidators to explore funding arrangements for the future conduct of the Arbitration. We note that the Company's claim is being strongly defended by the respondent.

2.2.2.4 Related party debtors

As at the date of our appointment as Voluntary Administrators, the Company had related party debtors as follows:

Debtor name	Debtor Balance (\$000s)	Comments
IDC Contracting Pty Ltd (IDC)	1	IDC is a creditor of the Company in the amount of \$1,117, which exceeds the value of the Company's claim. Accordingly, IDC is seeking set-off.
IDK Mechanical Services Pty Ltd (IDK)	68	IDK is 70 percent owned by the Company. We have reviewed IDK's financial position and determined that this amount is not recoverable.
SMS Resources Solutions Pty Ltd (SMS)	11	SMS is a creditor of the Company in the amount of \$160,610, which exceeds the value of the Company's claim. Accordingly, SMS is seeking set-off.
York Civil Investments Pty Ltd t/as ID Fabrication (ID Fabrication)	13	ID Fabrication is a creditor of the Company in the amount of \$34,612, which exceeds the value of the Company's claim. Accordingly, ID Fabrication is seeking set-off.
Total	93	
Amount collected to date	0	

There will be no recovery of the above related party debtors.

2.2.2.5 Other debtors

As at the date of our appointment as Voluntary Administrators, the Company had other debtors as follows:

Debtor name	Debtor Balance (\$000s)	Comments
Crane Services Pty Ltd	9	This amount relates to dry crane hire however is disputed by the debtor due to the reliability of the crane the subject of the hire. In addition, we note that Crane Services Pty Ltd is also a creditor of the Company in the amount of \$57,527 and would likely seek to set-off this amount. Accordingly, no further recovery is likely.
NRW Pty Ltd	158	We have recovered \$156,088 of this debt, with the balance not recoverable due to a back charge relating to a tyre repair.
Rocla Pty Ltd	47	We have written to Rocla Pty Ltd seeking payment of this amount. At the date of this report, we have not received a response. According to the Company's records, Rocla Pty Ltd may be a creditor of the administration for \$19,992 which Rocla Pty Ltd may be entitled to set off against the debtor amount.

Debtor name	Debtor Balance (\$000s)	Comments
Vision Surveys (Qld) Pty Ltd	7	This relates to rent payable by a subtenant of the Company's Queensland head office. The Administrators did not exercise the Company's rights in relation to this property effective 13 August 2018. The subtenant has paid the amount due until that time of \$4,601.
Total	221	
Amount collected to date	160	

At the date of this report, we are continuing to pursue recovery of the above amounts (where applicable).

2.2.2.6 Summary

Since commencement of the liquidation, we have only recovered a further \$88,594 in debtor payments. We are continuing to pursue recovery of the balance of claims where applicable, however that will take some time to resolve given the complexity of issues referred to above, including resolution of legal proceedings/disputes, waiting for finalisation of projects and receiving final accountings in relation to the same. Accordingly, the final outcome of debtor recoveries is uncertain.

2.2.3 Inventory (net of realisation costs)

The Company did not carry inventory on its balance sheet as all inventory for projects was incorporated into work in progress as received. However, at the date of our appointment as Voluntary Administrators, the Company held inventory in the form of consumables, spare parts etc which was sold as part of the public auctions (refer Section 2.2.7 below). The net proceeds were \$65,236 (exclusive of GST).

2.2.4 Sale of rights to continue specified contracts per the Asset Sale Agreement (ASA)

Refer to our Voluntary Administrators' Report.

2.2.5 Post appointment sales and costs of trading

As outlined in our Voluntary Administrators' Report, we continued to trade the business for a period of one week while the Heads of Agreement (HOA) sale was pursued. In addition, we continued to employ a number of staff relating to repatriation of equipment and to assist us with our statutory obligations, including reporting to creditors and calculation of employee entitlements. A summary of our trading position is as follows:

Description	\$000s
Labour and equipment recharge received	269
Travel expenses paid	(5)
Wages, salaries and on-costs	(555)
Utilities (telephone, electricity etc)	(17)
Net trading loss	(308)

The above excludes post appointment sales of \$58,000 which are yet to be received.

2.2.6 Administrators' and Liquidators' remuneration

Set out in the table below is a summary of the Administrators' and Liquidators' remuneration approved and paid to date:

Period	Note	Remuneration approved (\$, exclusive of GST)	Remuneration paid (\$, exclusive of GST)
VA			
6 August 2018 to 24 August 2018		500,466.00	500,466.00
25 August 2018 to 10 September 2018	2.2.6.1	209,386.57	209,386.57
Liquidation			
10 September 2018 to 31 December 2018	2.2.6.2	400,000.00	155,744.50
Total		1,109,852.57	865,597.07

2.2.6.1 Period 25 August 2018 to 10 September 2018

At the meeting of creditors held on 10 September 2018, creditors approved payment of our remuneration for the period 25 August 2018 to 10 September 2018 in the amount of \$250,000 (exclusive of GST). However, our actual remuneration incurred for that period was only \$209,386.57 (exclusive of GST) and accordingly, only the incurred amount was paid.

2.2.6.2 Period 10 September 2018 to 31 December 2018

At the date of this report, our time costs for the period 10 September 2018 to 30 November 2018 total approximately \$349,000 (exclusive of GST). At the date of this report, we have only paid remuneration of \$155,744 (exclusive of GST).

The remuneration paid excludes funding of \$40,260 (exclusive of GST) received from the Department in relation to verification of pre-appointment employee FEG claims.

2.2.7 Plant and equipment

The Company's plant and equipment had a written down value of \$9.4 million recorded in its balance sheet as at 30 June 2018.

Immediately following our appointment as Voluntary Administrators, we engaged MGS and Slattery's to assist with the repatriation of the Company's assets from certain projects that were not continuing. Following the Company ceasing to trade on 13 August 2018, MGS and Slattery's then facilitated security and collection of all plant and equipment in preparation for sale through a series of public and online auctions.

Total proceeds realised to date of approximately \$9.6 million (exclusive of GST) is approximately 30 percent higher than the auction realisation value of \$7.3 million (exclusive of GST).

We are still awaiting receipt of the proceeds from the sale of two water carts sold on 27 November 2018 and a final residual IT auction held on 7 December 2018. We estimate the net proceeds after costs will be approximately \$230,000 (exclusive of GST).

2.2.8 Return to Bank

To date, we have returned the sum of \$8.01 million to the Bank under its security. We are currently holding a balance of \$238,000 (before deduction of any applicable costs) that will be remitted to the Bank once the estimated net plant and equipment proceeds of \$230,000 (exclusive of GST) are received (refer Section 2.2.7 above).

3 Investigation into the Company's affairs

Creditors should refer to the Voluntary Administrators' Report and note our investigations are ongoing. We are yet to prepare and file our report to ASIC pursuant to Section 533 of the Act on the outcome of our investigations into the affairs of the Company.

3.1 Voidable transactions

3.1.1 Unfair preferences

Section 588FA of the Act gives Liquidators the power to recover certain transactions that have had the effect of conferring a priority, preference or advantage to a creditor within six months of the commencement of the winding up (referred to as the relation back period).

Our review of possible unfair preference payments in the six months prior to our appointment as Voluntary Administrators is continuing. Further investigations are required to determine a date of insolvency and to consider the defences available to creditors who may have received preferential payments in order to determine the merits of pursuing recovery of same.

3.1.2 Uncommercial transactions

Section 588FB of the Act requires Liquidators to investigate transactions which may be deemed to be uncommercial, having regard to the detriment to the Company (if any) suffered as a consequence of the transaction in the period two years prior to the appointment.

In addition, Section 588FDA of the Act refers to "unreasonable director-related transactions" and requires Liquidators to investigate such transactions, having regard to the detriment to the Company (if any) suffered as a consequence of the transaction.

At the date of this report, we have not identified any transactions which would constitute uncommercial transactions.

3.1.3 Unfair loans

Section 588FD of the Act requires Liquidators to investigate transactions which may be deemed to be unfair loans to the Company. A loan to the Company is considered to be unfair if and only if, interest on the loan is extortionate, or the charges in relation to the loan were extortionate.

At the date of this report, we have not identified any transactions which would constitute unfair loans.

3.1.4 Voidable transactions – related parties

Section 588FE(4) of the Act requires Liquidators to investigate transactions which may be deemed to be insolvent transactions with a related party entered into within 4 years of the commencement of the winding up.

At the date of this report, we have not identified any transactions which would constitute voidable transactions with related parties.

3.2 Insolvent trading

Section 588G of the Act provides that directors are obliged to prevent a company from:

- Incurring a debt whilst insolvent; or
- Becoming insolvent by incurring a debt.

If a contravention of Section 588G can be established, then Section 588M empowers Liquidators (or a creditor under certain circumstances) to recover compensation from a director(s) for any loss or damage suffered as a consequence of any such contravention.

Our preliminary assessment of the Company's solvency was set out in our Voluntary Administrators' Report dated 30 August 2018. That opinion was that the Company may have been insolvent from 31 May 2018.

Total trade creditors increased by \$5.5 million from \$9.4 million as at 31 May 2018 to \$14.9 million as at the date of our appointment as Voluntary Administrators. Given the complexity of the Company's business, it may be necessary

to reconstruct the status and circumstances of each creditor's debt (on an individual basis) in order to better determine the amount of any claim for insolvent trading.

Section 588H of the Act provides a number of statutory defences available to the Directors which would have to be considered in deciding whether to commence an insolvent trading action. Any decision to commence an action against the Directors for insolvent trading must have regard to the following:

- The costs of litigation and the unknown likelihood of success;
- The quantum of the claim;
- The fact that the liquidation is presently devoid of funds; and
- The Directors' capacity to meet a claim for compensation.

We note that a Directors and Officers management liability policy was maintained which may respond to an insolvent trading claim (if identified) which requires further investigations and legal advice. To preserve our position, we notified the insurers of the possibility of such a claim, however, noting that our investigations are ongoing. Should creditors have any further information that may assist our investigations into the conduct of the Company's affairs, they should communicate details in writing to our office. Should any creditor be willing to fund the costs and expenses to commence proceedings against the Directors or wish to discuss further, please contact us as soon as possible.

4 Return to creditors

The table below sets out the estimated return to creditors for the liquidation:

\$000s	Note/ Report Ref	High	Low
Circulating assets			
Cash at bank as at 30 November 2018	2.2	173	173
GST receivable	2.2	21	21
Pre-appointment debtors / potential claims	2.2.2	Unknown	Nil
Post appointment sales	2.2.5	58	58
Books and records storage cost / other residual VA costs		(57)	(57)
Undrawn Liquidators' fees to 31 December 2018	2.2.6	(224)	(224)
Legal fees to 31 December 2018		(10)	(20)
Sub total		Unknown	Nil
Less: Priority employee entitlements	VA report	(7,221)	(7,221)
Funds available to the Bank from circulating assets		Unknown	Nil
Non-circulating assets			
Previous return to Bank	2.2.8	8,008	8,008
Cash at bank as at 30 November 2018	2.2.8	238	238
Estimated future sale proceeds	2.2.8	230	220
Estimated Liquidators' fees to 31 December 2018	2.2.6	(10)	(20)
Less: Bank debt	VA report	(16,327)	(20,549)
Shortfall to the Bank from non-circulating assets		(7,861)	(12,103)
Estimated funds available for unsecured creditors (before recovery of any voidable transactions)		Unknown	Nil

The above calculation is an estimate only. The return to unsecured creditors (including employee priorities) will depend upon:

- The recovery from the Company's pre-appointment debtors/progress claims which is uncertain and will take some time to resolve;
- The outcome of the arbitration process with a major client for an \$11.0 million disputed debt;
- The extent of any statutory recoveries from claims identified by the Liquidators, including unfair preferences and insolvent trading;
- Changes in the estimated realisation costs resulting from issues not presently known;
- The final amount claimed by unsecured creditors once any shortfall to the Bank (after realising the plant and equipment) is crystallised, the extent of bank guarantees/performance bonds called by the Company's customers is known and proof of debt forms are received and adjudicated upon (including contingent claims).

5 Conclusion

The following matters will continue to be progressed:

- Liaise with the Department regarding verification of FEG claims;
- Account to the Bank for the remaining plant and equipment proceeds;
- Continue to pursue recovery of pre-appointment debtors/potential claims;
- Continue to liaise with clients regarding finalisation of projects, rectification of defects and return of bank guarantees/performance bonds (where relevant);
- Seek accountings from JV partners on completion of JV projects;
- Recover any further available property;
- Complete investigations into the Company's affairs;
- Recovery of voidable transactions (if any); and
- Complete reporting obligations to ASIC pursuant to Section 533 of the Act.

We may write to you again with further information on the progress of the liquidation, however, expect that it will take at least two years to finalise the liquidation, if not longer.

Should you have any questions, please contact our office on (08) 8100 7600.

Dated this 10th day of December 2018



MD Lewis and TD Mableson
Joint and Several Liquidators

Abbreviation	Description
ACN	Australian Company Number
Act	The Corporations Act 2001
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASA	Asset Sale Agreement
ASIC	Australian Securities and Investments Commission
Bank	BankSA, a division of Westpac Banking Corporation
Company	ACN 050 019 960 Pty Ltd (In Liquidation), formerly York Civil Pty Ltd
CPB Contractors	CPB Contractors Pty Ltd
Department	Department of Jobs and Small Business
Directors	Mr Ian Tarbotton and Mr Dominic Vieceli
Downer EDI	Downer EDI Works Pty Ltd
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
Ferrovial	Ferrovial Agroman (Australia) Pty Ltd
GST	Goods and Services Tax
HOA	Heads of Agreement
ID Fabrication	York Civil Investments Pty Ltd t/as ID Fabrication (ID Fabrication)
IDC	IDC Contracting Pty Ltd
IDK	IDK Mechanical Services Pty Ltd
Liquidators	Martin David Lewis and Timothy David Mableson
MGS	Mason Gray Strange
OHL	Obsrascon Huarte Lain S.A.
OHLCP	OHL Construction Pacific Pty Ltd
RMS	Roads & Maritime Services of New South Wales
Slattery's	Slattery Auctions
SMS	SMS Resource Solutions Pty Ltd
VA	Voluntary Administration

A – Receipts & Payments

Receipts and Payments Summary By Account: YO6003 York Civil - A.C.N. 050 019 960 Pty Ltd (In VA, Bank, Cash and Cash Investment Accounts: From: 6/08/2018 To: 10/09/2018 (Gross Method)

Type	Account	GST	Total
TRADING RECEIPTS			
	Labour and Equipment Recharge	23,334.69	256,681.59
		<u>23,334.69</u>	<u>256,681.59</u>
TRADING PAYMENTS			
	After Tax Deductions: Child Support		144.68
	After Tax Deductions: Extra Tax		229.00
	After Tax Deductions: Novated Lease		854.18
	After Tax Deductions: Super		40.00
	Before Tax Allowances: Workcover Recovery		82.17
	Before Tax Deductions: Novated Lease		539.58
	Before Tax Deductions: Salary Sacrifice Super		640.00
	Wages & Salaries: RDO Accrual		3,370.63
	Workcover		6,384.65
	After Tax Allowances: Living Away		(2,014.28)
	After Tax Allowances: Meals		(510.00)
	Before Tax Allowances: Car		(10,046.13)
	Before Tax Allowances: Fares/Transport		(3,554.00)
	Before Tax Allowances: First Aid		(42.00)
	Before Tax Allowances: Night Shift		(2,258.74)
	Before Tax Allowances: Site Allowance		(9,248.82)
	Employee Reimbursement	(11.78)	(129.60)
	PAYG Control (Trading): PAYG Withheld		139,705.94
	Postage	(48.05)	(528.60)
	Security	(10.00)	(110.00)
	Superannuation		(45,812.06)
	Superannuation Control (Trading): Superannuation Withheld		45,812.06
	Travel Expense	(360.04)	(3,960.56)
	Travel Expense: Accommodation	(146.27)	(1,609.00)
	Travel Expense: Booking Fees	(5.94)	(65.34)
	Wages & Salaries: Annual Leave		(8,173.08)
	Wages & Salaries: Double		(4,844.87)
	Wages & Salaries: Normal		(447,207.21)
	Wages & Salaries: Other Hours		(1,250.88)
	Wages & Salaries: Other overtime		(50.28)
	Wages & Salaries: Time & Half		(11,605.57)
	Wages & Salaries: Workcover		(264.42)
		<u>(582.08)</u>	<u>(355,482.55)</u>
	Net Trading Receipts and Payments	22,752.61	(98,800.96)

NON-TRADING RECEIPTS

Accounts Receivable (Pre-Appointment)		975,305.45
Cash at Bank - BSA		109,483.08
Equity: Cash at Bank on Appointment		3,307.25
Other Current Assets	6,000.00	66,000.00
Petty Cash		41.45
Sale of Plant & Equipment	545.45	6,000.00
	<u>6,545.45</u>	<u>1,160,137.23</u>

Type	Account	GST	Total
NON-TRADING PAYMENTS			
	Appointee Fees: Appointee Fees	(35,000.00)	(385,000.00)
	ASIC Fees		(40.00)
	Bank Charges		(108.57)
	Cash at Bank - WBC		(560,813.19)
	Insurance		(77,002.11)
	Rent (for Auction)	(3,318.18)	(36,500.00)
	Security Services		(1,872.40)
		<hr/>	<hr/>
		(38,318.18)	(1,061,336.27)
	Net Non-Trading Receipts and Payments	<hr/>	<hr/>
		(31,772.73)	98,800.96
	Net Receipts (Payments)	<hr/>	<hr/>
		(9,020.12)	0.00

Receipts and Payments Summary By Account: YO6003 York Civil - A.C.N. 050 019 960 Pty Ltd (In CVL, Bank, Cash and Cash Investment Accounts: From: 10/09/2018 To: 30/11/2018 (Gross Method)

Type	Account	GST	Total
TRADING RECEIPTS			
	Plant Hire	3,272.00	35,992.00
	Refunds Received	9.92	2,790.15
		<u>3,281.92</u>	<u>38,782.15</u>
TRADING PAYMENTS			
	Wages & Salaries: RDO Accrual		187.11
	Advertising	(100.00)	(1,100.00)
	After Tax Deductions: Child Support		(144.68)
	After Tax Deductions: Extra Tax		(229.00)
	After Tax Deductions: Novated Lease		(854.18)
	After Tax Deductions: Super		(40.00)
	Before Tax Deductions: Novated Lease		(539.58)
	Before Tax Deductions: Salary Sacrifice Super		(640.00)
	Employee Reimbursement	(33.85)	(667.49)
	PAYG Control (Trading): PAYG Paid (Received)		(155,126.00)
	PAYG Control (Trading): PAYG Withheld		15,421.79
	Payroll Tax		(23,073.08)
	Portable LSL Levy		(401.31)
	Security	(8.25)	(90.75)
	Subcontractors	(240.00)	(2,640.00)
	Superannuation		(1,298.21)
	Superannuation Control (Trading): Superannuation Paid (Received)		(47,110.30)
	Superannuation Control (Trading): Superannuation Withheld		1,298.21
	Telephone & Fax	(994.06)	(10,934.63)
	Utilities	(600.28)	(6,603.14)
	Wages & Salaries		(166.77)
	Wages & Salaries: Normal		(9,940.90)
	Wages & Salaries: Post Appointment Annual Leave Accrual		(35,630.73)
	Wages & Salaries: Post Appointment Leave Loading		(957.02)
	Wages & Salaries: RDO Accrual		(3,557.73)
	Wages & Salaries: Time & Half		(741.97)
	Workcover	(1,175.90)	(13,146.93)
		<u>(3,152.34)</u>	<u>(298,727.29)</u>
	Net Trading Receipts and Payments	129.58	(259,945.14)
NON-TRADING RECEIPTS			
	Accounts Receivable (Pre-Appointment)		88,594.00
	Cash at Bank - WBC		560,813.19
	Equity: Cash at Bank on Appointment		81.84
	Funds Received in Error		1,307.79
	Interest Income		0.40
	Meeting Costs	6,980.74	76,788.19
	Sale of Plant & Equipment	936,836.68	10,565,203.32
	Sale of Stock	7,213.63	79,350.00
	Sundry Debtor		942.68
		<u>951,031.05</u>	<u>11,373,081.41</u>

Type	Account	GST	Total
NON-TRADING PAYMENTS			
	Advertising	(3,913.64)	(43,049.84)
	Agent's Fees	(39,894.68)	(438,841.12)
	Appointee Disbursements: ASIC		(661.00)
	Appointee Disbursements: Computer Hardware	(250.06)	(2,750.63)
	Appointee Disbursements: Courier	(3.61)	(39.75)
	Appointee Disbursements: Facsimile		(0.05)
	Appointee Disbursements: Meals	(6.18)	(68.00)
	Appointee Disbursements: Photocopying	(8.24)	(90.68)
	Appointee Disbursements: Postage	(13.01)	(143.14)
	Appointee Disbursements: Printing	(31.20)	(343.14)
	Appointee Disbursements: Searches	(29.05)	(411.96)
	Appointee Disbursements: Travel	(38.03)	(1,126.29)
	Appointee Fees: Appointee Fees	(51,559.71)	(567,156.78)
	Auction Expenses (General)	(4,765.65)	(52,422.03)
	Bank Charges		(1,395.03)
	Cartage (Auction Costs)	(21,030.71)	(231,337.68)
	Cash at Bank - BSA		(109,483.08)
	GST Control: GST Paid (Received)		(803,666.00)
	Insurance	(1,200.00)	(13,200.00)
	Labour	(3,375.44)	(37,129.80)
	Legal Fees	(12,386.13)	(136,247.44)
	Meeting Costs	(14,879.35)	(163,672.88)
	Public Relations	(929.30)	(10,222.24)
	Rent (for Auction)	(2,696.98)	(29,666.81)
	Repairs (Auction Costs)	(1,309.50)	(14,404.45)
	Return to Secured Creditor		(8,008,944.00)
	Sale of Plant & Equipment		(23,636.36)
	WHS (Auction Costs)	(258.91)	(2,848.00)
	WHS Expenses	(800.00)	(8,800.00)
		(159,379.38)	(10,701,758.18)
	Net Non-Trading Receipts and Payments	791,651.67	671,323.23
	Net Receipts (Payments)	791,781.25	411,378.09

B – Proof of debt

Form 535 Formal Proof of Debt or Claim Form
Corporations Act 2001, Regulation 5.6.49(2)

Return to:
Ferrier Hodgson, Level 6, 81 Flinders Street, ADELAIDE SA 5000
Tel: (08) 8100 7600
Fax: (08) 8232 4487
Email: adelaide@fh.com.au

Indebted Company: ACN 050 019 960 Pty Ltd (In Liquidation) (formerly York Civil Pty Ltd) ACN 050 019 960
Date of Appointment: 6 August 2018

A. Name and Contact Details of Creditor

¹

(the Creditor)

(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of

(insert address)

³ Tel:

⁴ Email:

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

B. Details of Debt or Claim

¹ Amount owing:

(insert dollars and cents, inclusive of GST if applicable)

² Nature of Debt or Claim:

(insert description of debt and/or reference any supporting documentation)

³ Select one of the following options:

The Creditor is an unsecured creditor of the indebted Company

The Creditor is a secured creditor of the indebted Company

The Creditor is an employee / former employee of the indebted Company

The Creditor is a related party (please indicate: secured / unsecured)

For all claims:

⁴ I have attached supporting documentation to substantiate the Creditor's claim (secured creditors must attach evidence of security)

⁵ To my knowledge or belief the creditor has not, nor has any person by the creditor's order had or received any satisfaction or security for the sum or any part of it except for the following:

(insert details and value of security where relevant)

C. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Creditor Assistance Sheet: Completing a Proof of Debt Form

Section A – Name and Contact Details of Creditor

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

Section B – Details of Debt or Claim

1. The amount owing should only include debts or claims which arose prior to the date of appointment.
2. Insert the currency if not Australian dollars.
3. Type of creditor: tick one of the options only.
4. For all claims, ensure supporting documentation is attached, such as invoices, statements, agreements.
5. For secured creditors, insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, indicate “refer attached” above and show them in a schedule in the following form:

Date	Drawer	Acceptor	Amount (\$)	Due Date

Section C – Signature Instructions

1. Insert the date that the proof of debt form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a company, then a duly authorised officer of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the company named in Section A above”]