

Crane Investments (WA) Pty Ltd (In Liquidation)
ACN 103 911 226 (“the Company / CI”)
Formerly trading as “Northern Suburbs Crane Hire”

Liquidator’s Annual Report
Pursuant to Section 508 of the Corporation Act 2001

21 December 2017

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1 Introduction

The purpose of this report is to provide information and update creditors on the Liquidator's acts and dealings since my previous reports.

This report should be read in conjunction with our previous reports to creditors, in particular the Liquidator's Annual Report dated 12 December 2016 which is available on the Ferrier Hodgson website at www.ferrierhodgson.com.au.

I provide an update to the progress of the liquidation since my last report under the relevant headings:

2 Statement of Position

I have conducted an analysis of the Company's asset and liability position in order to provide creditors with an indication of the Company's financial position as at 30 November 2017 as tabled below.

Statement of position as at 30 November 2017	Notes	Liquidator's ERV (\$) (Excl GST)
Assets not subject to charges		
Cash at bank as at 30 November 2017		56,939
Total assets not subject to charges and available to meet cost of liquidation		56,939
Less: Cost of liquidation		
Outstanding Liquidator's fees as 30 November 2017		-
Outstanding Liquidator's disbursements as at 30 November 2017		-
Estimated future Liquidator's fees		(40,000)
Estimated future Liquidator's disbursements		(10,000)
Contingencies for other expenses (legal fees)		(10,000)
Total cost of liquidation		(60,000)
Surplus / (Deficit) after cost of liquidation		(3,061)
Amounts available to priority creditors		(3,061)
Less: Total priority creditors (employee entitlements)	i	(475,564)
Total assets available to unsecured creditors		Nil
Estimated amount owing to NAB (secured creditor)		(734,661)
Unsecured trade creditors		(4,395,807)
Australian Taxation Office		(788,035)
Office of State Revenue (payroll tax)		(163,184)
Contingent claims - shortfall to HP financiers		(11,040,010)
Total unsecured creditors' claims	ii	(17,121,696)
Estimated surplus / (deficiency)		(17,121,696)
Estimated dividend rate (cents in \$)		Nil

i. Priority creditor debts

Amounts owed to priority creditors represents amounts owed for employee entitlement which are afforded a statutory priority of repayment over circulating charge assets pursuant to section 556(1) of the Act.

On 15 August 2016, a first interim preferential dividend totalling \$216,842 was distributed to priority creditors at a rate of:

- 100 cents in the dollar in respect of admitted claims for employees' unpaid wages and superannuation (as ranked under section 556(e) the Act); and
- 40 cents in the dollar in respect of admitted claims for employees' unpaid leave entitlements and amount due under industrial instruments (as ranked under section 556(g) of the Act).

I table overleaf a summary of the distribution and my estimates of the remaining outstanding employee entitlements:

Employees entitlements	Amount outstanding as at 28/08/2012 (\$)	Amount distributed on 15/08/2016 (\$)	Amount outstanding (\$)
<u>Section 556 (e) entitlement</u>			
Superannuation / Superannuation guarantee charge	42,408	(42,408)	Nil
Salary sacrifice superannuation	17,900	(17,900)	Nil
<u>Section 556 (g) entitlement</u>			
Annual leave	169,388	(67,755)	(101,633)
Leave loading	29,643	(11,857)	(17,786)
Fares & travel allowance	6,986	(2,794)	(4,192)
Rostered days off	75,548	(30,219)	(45,329)
Sick leave	71,247	(28,499)	(42,748)
Long service leave	38,525	(15,410)	(23,115)
<u>Section 556 (h) entitlement</u>			
Payment in lieu of notice (PILN)	155,531	-	(155,531)
Redundancy	85,231	-	(85,231)
Total	\$692,406	(\$216,842)	(\$475,564)

From my analysis, I do not anticipate that there will be further funds available to pay priority creditors for the outstanding employee entitlements.

ii. Unsecured creditors' debts

Accounting for informal proofs of debts received to date and based upon the Company's records, I estimate the Company's liability to unsecured creditors at \$17.1M to \$17.8M. However, this figure is subject to the receipt and adjudication of final proof of debt from creditors.

At the time of writing, no distributions have been made to unsecured creditors of the Company, and I do not expect that a dividend will be payable.

3 Investigations into the Company's Affairs

A liquidator is required to lodge a report to the ASIC pursuant to Section 533 of the Act in circumstances where a past or present officer may have been guilty of an offence, or if it is unlikely that the Company will be able to pay its unsecured creditors more than 50 cents in the dollar.

The report to ASIC includes an examination of various aspects of the Company's trading activities and also gives consideration if offences have been committed by any officers of the Company. These investigations also include the review of any voidable transactions pursuant to section 588FA of the Act and the directors' duty to prevent the Company from trading whilst insolvent pursuant to section 558G of the Act.

As noted previously, I have lodged my preliminary report with ASIC, and ASIC has requested that a further supplementary report to be prepared as they intend to carry out further investigations into the affairs of the Company and the conduct of its officers. In this regard, I advise that I am progressing the investigation with a view to complete and lodge the supplementary report with ASIC in due course.

4 Receipts and Payments

I table at **Annexure A**, a summary of the receipts and payments for the period 1 December 2016 to 30 November 2017.

5 Outstanding Matters to Finalise the Liquidation

At the time of writing, the main outstanding tasks in the liquidation relates to:

- Completion of my investigations and lodgement of the supplementary Section 533 report to the ASIC;
- Convening a final meeting of creditors and members; and
- Attending to final statutory requirements of the liquidation.

Should you have any enquiries in relation to this matter, please do not hesitate to contact Samuel Cohen-Cooke of this office.

Yours faithfully

Crane Investments (WA) Pty Ltd



Martin Jones
Liquidator

Glossary of terms

Abbreviation	Description
ABN	Australian Business Number
ACN	Australian Company Number
Act	The Corporations Act 2001
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Company or CI	Crane Investments (WA) Pty Ltd (In Liquidation) ACN 103 911 266
DGV	D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation) ACN 136 357 054 formerly trading as D&G Verticon Hoists & Cranes
DGWA	D&G Hoists & Cranes Pty Ltd (In Liquidation) ACN 084 148 096
ERV	Estimated Realisable Value
GEERS	General Employee Entitlement Redundancy Scheme
JP Nelson	JP Nelson Equipment Pte Ltd
K	Thousand dollars
M	Million dollars
NAB	National Australia Bank Limited
Scottish Pacific or SPBF	Scottish Pacific Business Finance Pty Ltd

Annexure A

Summary of Receipts and Payments for the period 1 December 2016 to 30 November 2017

Summary of Receipts & Payments For the period 1 December 2016 to 30 November 2017	Amount (\$) (excl GST)
Opening Cash at Bank	87,072
Receipts	
GST Control	2,896
Returned funds from unclaimed dividend	764
Payments	
Liquidator's fees	(24,176)
Liquidator's disbursements	(5,653)
GST on payments	(2,983)
Unclaimed monies transfer to ASIC	(764)
First and final preferential dividend	(218)
Account Balance as at 30 November 2017	56,939