

**D&G Hoists & Cranes Pty Ltd (In Liquidation)
ACN 084 148 096 (“the Company / DGWA”)**

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

13 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 the Liquidator's previous reports, in particular our report to creditors dated 12 December 2016 and 8 June 2017. Copies of these previous reports are 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 Recovery of Unfair Preference Payments from Creditors

As advised in my previous reports, investigations into the affairs of DGWA have identified a number of possible transactions that may be voidable as unfair preferences under section 588FA of the Corporations Act 2001 (**the Act**).

To date, I have recovered unfair preference payments totalling \$4,146,977 from various creditors as detailed below:

Creditor Name	Amount Recovered (\$)
JP Nelson	580,000
Australian Taxation Office	3,270,946
Other trade creditors	296,032
	4,146,978

At the time of writing, we anticipate to receive a further \$70,000 being the final instalment for the recovery from JP Nelson Pte Ltd.

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3 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 financial position as at 30 November 2017 as set out below.

Statement of Position as at 30 November 2017	Notes	Liquidator's ERV High (\$)	Liquidator's ERV Low (\$)
Assets not subject to charges			
Cash at bank as at 30 November 2017		1,209,678	1,209,678
JPN settlement monies to be received		70,000	70,000
Total assets not subject to charges and available to meet cost of liquidation		1,279,678	1,279,678
Less: Cost of liquidation			
Outstanding liquidator's fees up to 30 November 2017		(1,612)	(1,612)
Outstanding liquidator's disbursements up to 30 November 2017		(100)	(100)
Estimated future liquidator's fees		(129,497)	(179,497)
Estimated future liquidator's disbursements		(15,000)	(15,000)
Contingencies for other expenses		(20,000)	(30,000)
Total cost of liquidation		(166,209)	(226,209)
Surplus / (Deficit) after cost of liquidation		1,113,469	1,053,469
Estimated amount available to unsecured creditors		1,113,469	1,053,469
Estimated amount owing to NAB (secured creditor)		(861,715)	(861,715)
Estimated amount owing to DLL / Manitowoc (secured creditor)		(7,512,183)	(7,512,183)
ME Bank (secured creditor)		(215,932)	(215,932)
Unsecured Trade Creditors		(11,348,247)	(12,000,000)
Australian Taxation Office		(3,871,578)	(3,871,578)
Payroll Tax		(342,515)	(342,515)
Contingent Claims - Shortfall to HP financiers		(7,377,841)	(7,377,841)
Total Unsecured Creditors' Claims	(i)	(31,530,011)	(32,181,764)
Estimated Surplus / (Deficiency)		(30,415,542)	(31,128,295)
Estimated Dividend Rate (cents in \$)		3.53	3.27

I make the following additional comments:

i. 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 to be between \$31.5M and \$32.2M. However, this figure is subject to the receipt and adjudication of final proof of debt from creditors.

Upon receipt of the remaining JPN monies, I expect a dividend to be available to unsecured creditors. I anticipate writing to creditors again to advise of the Liquidator's intention to declare a first and final dividend to ordinary unsecured creditors in February 2018.

4 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 a 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 my investigations with a view to complete and lodge the supplementary report with ASIC in due course.

5 Receipts and Payments

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

6 Outstanding Matters to Finalise the Liquidation

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

- Completion of investigations and lodgement of the supplementary Section 533 report to the ASIC;
- Receipt of remaining monies owing from the JPN settlement; and
- Calling for proofs and adjudication of same and declaration of a first and final dividend to ordinary unsecured creditors.

Once the above matters have concluded, I will be in a position to finalise the liquidation which will involve the following tasks:

- 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
D&G Hoists & Cranes Pty Limited



Martin Jones
Liquidator

Encl.

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
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
Company or DGWA	D&G Hoists & Cranes Pty Ltd (In Liquidation) ACN 084 148 096
DLL	De Lage Landen Pty Ltd
ERV	Estimated Realisable Value
GEERS	General Employee Entitlement Redundancy Scheme
JP Nelson	JP Nelson Equipment Pte Ltd
M	Million dollars
Manitowoc	Manitowoc Crane Group Australia Pty Ltd
ME Bank	Members Equity Bank
NAB	National Australia Bank Limited
PwC	Pricewaterhouse Coopers

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)
Cash at Bank as at 1 December 2016	698,051
Receipts	
Bank interest	12,836
GST control	9,888
Recovery of unfair preference from JP Nelson Pte Ltd	580,000
Total Receipts	602,724
Payments	
Legal fees	(15,431)
Liquidator's fees	(64,978)
Liquidator's disbursements	(2,264)
GST on payments	(8,423)
Total Payments	(91,096)
Account balance as at 30 November 2017	1,209,678