



SHERIDANS
CHARTERED ACCOUNTANTS

SAFESTONE PTY LTD
(In Liquidation)
ACN 604 039 787

Annual Report to Creditors

14 August 2018

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Annexures

- A Receipts and payments
- B Schedule of Liquidator's remuneration

Enclosures

- (i) Proof of Debt or Claim

1.0 Introduction

- 1.1 I refer to my Circular to Creditors dated 21 July 2017 and to my Reports to Creditors dated 2 October 2017 and 5 April 2018.
- 1.2 As you are aware, I was appointed Liquidator of Safestone Pty Ltd (“the company”) on 12 July 2017.
- 1.3 The purpose of this report is to update you on the progress of the liquidation in accordance with Section 508 of the Corporations Act 2001 (“the Act”). Despite its repeal, Section 508 of the Act continues to apply in respect of a liquidation with an annual reporting year commencing prior to 1 September 2017 but ending after 1 September 2017 (Section 1603 of the Act).

2.0 Receipts and payments

- 2.1 See Annexure A for a summary of the receipts and payments in the liquidation of the company from 12 July 2017 to 14 August 2018.

3.0 Asset realisations

- 3.1 The company’s directors gave an estimate in their Report as to Affairs (“RATA”) of potential realisations. Set out below is a comparison of this estimate with the Liquidator’s actual realisations to date.

Asset	Ref	Estimated value (RATA) \$	Realisations to date (excl. GST) \$
Cash at bank	3.2	22,308	37,242
Pre-appointment debts	3.3	25,000	39,224
Plant and equipment	3.4	3,000	1,850
	Total	50,308	78,316

3.2 *Cash at bank*

- 3.2.1 Please refer to my Report to Creditors dated 2 October 2017.

3.3 *Pre-appointment debts*

- 3.3.1 The company’s records indicated that the company had an accounts receivable balance as at the date of liquidation of \$157,289.
- 3.3.2 On review of the accounts receivable balance and following discussions with the company’s debtors, I have determined that the majority of outstanding debts have either been paid or partly paid by debtors prior to my appointment.
- 3.3.3 I estimate that the total realisable value of pre-appointment debts is \$50,200, \$37,242 of which has already been realised. One pre-appointment debt remains to be realised, which will require the engagement of a lawyer.

3.4 *Plant and equipment*

- 3.4.1 Please refer to my Report to Creditors dated 2 October 2017.

4.0 Priority creditors

- 4.1 Set out below is the directors' estimate of the company's priority creditors compared to my estimate:

	RATA estimate \$	Liquidator's current estimate \$
Annual leave	6,000	21,193
Superannuation	5,000	18,168
	11,000	39,361

- 4.2 The company's annual leave liability is in respect of amounts owed to the directors. As excluded employees, the directors' priority for annual leave is capped at \$1,500 each pursuant to Section 556(1B) of the Act.
- 4.3 On 22 May 2018 Mr Malcolm Field of SV Partners was appointed Bankruptcy Trustee of two of the three company directors, Ayden Dawson-Sweeney and Dylan Dawson-Sweeney. Mr Field has lodged Proofs of Debt in respect of the annual leave owed to Ayden and Dylan.
- 4.4 The company's superannuation liability includes amounts owed to the directors. As excluded employees, the directors' priority for superannuation is capped at \$2,000 pursuant to Section 556(1A) of the Act.
- 4.5 If you were an employee of the company at the date that I was appointed, or you have previously been employed by the company, you may be a creditor of the company for any or all of the following debts: outstanding wages, annual leave, long service leave, pay in lieu of notice, redundancy and/or superannuation.
- 4.6 Please find enclosed a Proof of Debt or Claim form to enable priority creditors to lodge their claim against the company.

5.0 Unsecured creditors

- 5.1 According to the directors' RATA, the company had two unsecured creditors, whose claims totalled \$269,857.
- 5.2 To date, I have received one Proof of Debt from the Australian Taxation Office in the sum of \$305,609.
- 5.3 Please find enclosed a Proof of Debt or Claim form to enable unsecured creditors to lodge their claim against the company.

6.0 Further work required

- 6.1 The following work needs to be undertaken before the liquidation can be finalised:
- Realising the final outstanding pre-appointment debt and, if necessary, commencing recovery action.
 - Further investigation into whether an unsecured creditor has received an unfair preference.
 - Payment of a dividend to priority and unsecured creditors (if sufficient funds are available).

6.0 Further work required (cont.)

- 6.2 Once this work has been completed, I can proceed to finalise the liquidation. On the basis of current information, I estimate that the liquidation will remain ongoing for another year.

7.0 Independence

- 7.1 A Declaration of Independence, Relevant Relationships and Indemnities was contained in my Circular to Creditors dated 21 July 2017. There have been no changes to my independence in this matter.

8.0 Remuneration

- 8.1 Please refer to Annexure B for details of the Liquidator's remuneration.
- 8.2 At the meeting of creditors held on 9 August 2017, creditors approved my remuneration of \$25,000.00 plus GST. At the meeting of creditors held on 1 May 2018, creditors approved further remuneration of \$34,617.90 plus GST.
- 8.3 As at 30 June 2018, I have incurred remuneration of \$49,287.70 plus GST. To date, I have been paid remuneration of \$48,465.50 plus GST.

9.0 Meeting of creditors

- 9.1 If a creditors' voluntary winding up continues for more than one year, a Liquidator must either convene an Annual General Meeting or prepare a report and lodge it with ASIC.
- 9.2 In fulfilling my obligations as Liquidator of the company under Section 1603 of the Act (see Section 1.3), I will lodge a copy of this report with ASIC. I have decided not to convene an annual meeting of creditors.

Should you have any queries in relation to the above matters, please do not hesitate to contact Shannon O'Connor or Jordache Don of this office.

Yours faithfully



JENNIFER E. LOW
Liquidator of
Safestone Pty Ltd

SAFESTONE PTY LTD
ACN 604 039 787 (In Liquidation)

Receipts and payments
for the period 12 July 2017 to 14 August 2018

	\$
Receipts	
Pre-appointment debts	39,224.33
Cash at bank on appointment	37,241.54
Sale of plant and equipment	1,850.00
Total receipts	78,315.87
Payments	
Bank fees	76.25
Liquidator's fees	48,465.50
Liquidator's disbursements:	
Advertising	81.00
Facsimiles	41.50
Printing & photocopying	152.20
Postage	118.50
Searches	93.90
Stationery	6.00
Storage	14.88
Telephone	71.00
Xero subscription	136.38
GST (net)	1,178.09
Total payments	50,435.20
Cash at bank	27,880.67

SAFESTONE PTY LTD
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Liquidator's remuneration
for the period 12 July 2017 to 30 June 2018

Name	Position	Hours	Sheridans Rate ① \$ / hr	Charge \$
J. E. Low	Liquidator	6.5	538	3,497.00
D. Blanchett	Senior Manager	23.8	381	9,067.80
S. O'Connor	Manager	77.1	301	23,207.10
M. Ledger	Senior 1	1.6	243	388.80
P. Nguyen	Intermediate 2	62.7	175	10,972.50
S. Marsegaglia	Graduate	3.1	147	455.70
A. Avery	Secretary	5.4	137	739.80
M. Francis	Secretary	5.6	137	767.20
M. Laurence	Secretary	1.4	137	191.80
Total fees incurred		<u>187.2</u>		<u>49,287.70</u>

① Rounded to the nearest dollar.

SAFESTONE PTY LTD
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(In Liquidation) ("the company")

FORMAL PROOF OF DEBT OR CLAIM

This is to state that the company was on 12 July 2017 and still is, justly and truly indebted to _____ for:

\$ _____ and _____ cents

Date	Consideration (how the debt arose)	Amount \$	Remarks (include details of voucher substantiating payment)

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 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, show them in a schedule in the following form).*

Date	Drawer	Acceptor	Amount \$	Due date

I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied. ①

I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied. ①

① *Delete both if this proof is made by the creditor personally. Otherwise, strike out or leave, as appropriate.*

Please ensure this proof is signed for completion, before lodgement.

Date: _____

Signature: _____

Name: _____

Occupation: _____

Creditor's address: _____

I nominate to receive electronic notification of notices or documents in accordance with Section 600G of the Corporations Act 2001 at the following email address:
