

WA CEILINGS AND FITOUT PTY LTD

(In Liquidation)
ACN 605 525 488

Report to Creditors

Section 70-40
Insolvency Practice Rules (Corporations) 2016

11 March 2019

Contents	Page
1 Introduction	3
2 Receipts and payments	3
3 Assets	3
4 Secured creditors	4
5 Priority creditors	5
6 Unsecured creditors	5
7 Dividend	5
8 Reasons for the company's failure	6
9 Inquiries undertaken to date	6
10 Further inquiries that may need to be undertaken	7
11 Possible recovery actions	7
12 What happens next?	7
13 More information	7

Enclosures

- (i) Proof of Debt or Claim form

1. Introduction

- 1.1 I refer to my appointment as Liquidator of the company on 14 December 2018 and to my initial information for creditors report dated 20 December 2018.
- 1.2 The purpose of this report is to provide creditors with an update on the progress of the liquidation in accordance with Section 70-40 of the Insolvency Practice Rules (Corporations) 2016, and to advise creditors of the likelihood that a dividend will be paid in the liquidation.

2. Receipts and payments

- 2.1 The following is a summary of receipts and payments in the liquidation to date:

	\$
Receipts	
Indemnity	15,000
Cash at bank on appointment	591
	15,591
Payments	
Bank fees	15
Liquidator's fees	13,000
Liquidator's disbursements:	
Advertisements	64
Facsimiles	5
Postage	105
Printing & photocopying	31
Searches	99
Stationery	9
Telephone	1
GST (net)	1,331
	14,660
Cash at bank	931

3. Assets

- 3.1 The company's director gave an estimate in his Report on Company Activities and Property ("ROCAP") of potential realisations. Set out below is a comparison of this estimate with the Liquidator's estimate and actual realisations to date.

	Ref	ROCAP estimate \$	Liquidator's estimate \$	Liquidator's realisations to date \$
Cash at bank	3.2	611	591	591
Pre-appointment debts	3.3	130,489	130,489	Nil
		131,100	131,080	591

3. Assets (cont.)

3.2 Cash at bank

3.2.1 The director disclosed on his ROCAP that the company held one bank account with Westpac. \$591 was realised upon closure of the bank account.

3.3 Pre-appointment debts

3.3.1 The director disclosed on his ROCAP that the company had three pre-appointment debtors whose debts totalled \$130,489. These debts relate to retentions owed to the company and are therefore not immediately payable.

3.3.2 I am currently in the process of reviewing the company's pre-appointment debts. At this stage, I am not aware of any reason that the pre-appointment debts should not be paid to the company.

4. Secured creditors

4.1 According to a search of the Personal Property Securities Register ("PPSR") on 10 December 2018, the following security interests were registered against the company's ACN:

Secured party	Security interest	Comments
ANZ Banking Group Ltd	AllPAAP	Outstanding debt per ROCAP is \$178,784. Debt has been assigned to Pioneer Credit. Still determining validity of security interest.
Linear Architectural Systems	AllPAAP	No debt owed by the company. PPSR registration discharged.
Prospa Advance Pty Ltd	AllPAAP	Prospa has advised that the outstanding debt at the date of liquidation was \$110,426. Security interest valid, but second-ranking (subject to validity of ANZ's security interest).
Access Group	PMSI (other goods) PMSI (motor vehicle)	No debt owed by the company. PPSR registrations discharged.
CSR Building Products Ltd	PMSI (other goods)	
Industrial Progress Corporation Pty Ltd	PMSI (other goods)	
Laminex Group Pty Ltd	PMSI (other goods)	
Noteg Pty Ltd	PMSI (other goods)	
Greensill Capital (UK) Ltd	Intangible property (account)	

AllPAAP = All present and after-acquired property

PMSI = Purchase money security interest

4.2 I am not aware of any related party secured creditors.

5. Priority creditors

- 5.1 The director disclosed on his ROCAP that the company did not have any priority creditors. Further investigation is required to confirm, or otherwise, that the company did not have any priority creditors.
- 5.2 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.
- 5.3 If you are owed accrued entitlements, you may be eligible for assistance under the Federal Government's Fair Entitlements Guarantee Act 2012 ("FEG"). For further information regarding FEG, please call the FEG hotline: 1300 135 040 or go to the website: www.employment.gov.au/fair-entitlements-guarantee-feg. **Former employees have only 12 months to lodge a FEG claim and FEG has no discretion to extend this time.**
- 5.4 Please find enclosed a Proof of Debt or Claim form to enable any priority creditors to lodge their claim against the company. Note that any FEG claim must be lodged separately with FEG.

6. Unsecured creditors

- 6.1 According to the director's ROCAP, the company had twelve unsecured creditors, whose claims totalled \$584,102 (excluding the amount owed to ANZ Banking Group Ltd, but including the amount owed to Prosopa Advance Pty Ltd).
- 6.2 On the basis of current information, I estimate that the total amount owed to unsecured creditors is \$628,965 (excluding the amount owed to ANZ Banking Group Ltd, but including the amount owed to Prosopa Advance Pty Ltd).
- 6.3 I advise that I am not aware of any related party unsecured creditors.
- 6.4 Please find enclosed a Proof of Debt or Claim form to enable any unsecured creditors who have not already done so to lodge their claim against the company.

7. Dividend

- 7.1 The likelihood that a dividend will be paid to creditors will be affected by a number of factors including:
 - (i) The size and complexity of the administration.
 - (ii) The amount of assets realisable and the costs of realising those assets.
 - (iii) The statutory priority of certain claims and costs.
 - (iv) The value of various classes of claims including secured, priority and unsecured creditor claims.
 - (v) The volume of enquiries by creditors and other stakeholders.

7. Dividend (cont.)

- 7.2 On the assumption that there are no priority creditors, it is possible that a dividend will be paid to the secured creditor, ANZ. The likelihood of a dividend is dependent on the quantum of pre-appointment debts realised.
- 7.3 I do not anticipate paying a dividend to unsecured creditors.
- 7.4 If a dividend is payable, creditors will be contacted prior to payment of the dividend and will be asked to lodge a Proof of Debt. This will formalise creditors' claims against the company.

8. Reasons for the company's failure

- 8.1 I note that company's business ceased to trade on 14 December 2018.
- 8.2 From my preliminary inquiries to date (see Section 9, below), I consider that the reasons for the company's failure are likely to be as follows:
- (i) Poor economic conditions;
 - (ii) Increased competition; and
 - (iii) The company was involved in a major project that ran overtime and resulted in the company incurring further unbudgeted costs.

9. Inquiries undertaken to date

- 9.1 The following inquiries have been made to date:
- (i) Undertaking searches including a company search, PPSR search, vehicle search, director search and property search.
 - (ii) Contacting the Sheriff's Office to determine whether any recovery action has been undertaken on behalf of creditors.
 - (iii) Contacting the Child Support Agency and Workcover WA to determine the company's outstanding liabilities.
 - (iv) Contacting the Office of State Revenue and the Australian Taxation Office ("ATO") to determine the company's outstanding tax-related liabilities.
 - (v) Requesting that the ATO provide me with access to the company's taxation records via the Business Portal.
 - (vi) Collecting and preparing a listing of the company's books and records.
 - (vii) Reviewing the company's financial statements and draft accounts to determine whether there are any unaccounted for assets and/or liabilities.
 - (viii) Reviewing the director's ROCAP.
 - (ix) General inquiries of the company's director regarding assets and liabilities.
 - (x) Sending an initial notice to creditors, encouraging creditors to submit their claim against the company.

10. Further inquiries that may need to be undertaken

10.1 I note the following further inquiries may need to be undertaken:

- (i) Extensive review of the company's books and records.
- (ii) Conducting an investigation into the company's affairs and the conduct of its officers.
- (iii) Determining whether there are any possible recovery actions (see Section 11, below).
- (iv) Lodging a report with ASIC detailing my investigation findings.
- (v) General inquiries of the company's director regarding assets and liabilities.

10.2 If creditors are aware of a particular matter that requires further investigation, please contact this office immediately.

11. Possible recovery actions

11.1 I am yet to identify any possible recovery actions but note that the most common recovery actions available to a liquidator are as follows:

- (i) Insolvent trading.
- (ii) Unfair preferences.
- (iii) Uncommercial transactions.
- (iv) Unfair loans.
- (v) Unreasonable director-related transactions.

12. What happens next?

12.1 I will proceed with the liquidation, including:

- (i) Realising the remaining assets.
- (ii) Recovering any further available property.
- (iii) Completing my investigations into the company's affairs.
- (iv) Completing my reporting to the corporate insolvency regulator, the Australian Securities and Investments Commission.

12.2 I may write to creditors again with further information on the progress of the liquidation.

13. More information

13.1 Creditors can access information which may be of assistance on the following websites:

- (i) Sheridans at www.sheridansac.com.au/downloads/
- (ii) ARITA at www.arita.com.au/creditors
- (iii) ASIC at www.asic.gov.au (search for "insolvency information sheets")

If you wish to discuss the above matters, please contact Shannon O'Connor or Melissa Ledger of this office.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'J. E. Low', with a stylized flourish at the end.

JENNIFER E. LOW
Liquidator of
WA Ceilings and Fitout Pty Ltd

WA CEILINGS AND FITOUT PTY LTD
ACN 605 525 488
(In Liquidation) ("the company")

PROOF OF DEBT OR CLAIM

This is to state that the company was on 14 December 2018 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:
