

20 July 2015

ANNUAL REPORT

PURSUANT TO SECTION 508 OF THE CORPORATIONS ACT 2001 ("THE ACT")

ZENITH CIVIL INFRASTRUCTURE PTY LTD

ACN 160 086 260

(IN LIQUIDATION) ("THE COMPANY")

As you are aware, Murray Godfrey and I were appointed Joint and Several Liquidators of the Company on 16 May 2014.

For good order I note that Mr Godfrey passed away on 16 June 2015 upon which I became the sole liquidator for this matter.

I now provide my Annual Report under the following headings:

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1. ANNUAL REPORTING REQUIREMENTS TO CREDITORS

Pursuant to Section 508 of the Corporations Act 2001 ("the Act"), if the winding up of a Company continues by way of a Creditors Voluntary Liquidation for more than one year, I am required, within three months of the anniversary and each subsequent anniversary, to either:

- (a) convene an annual meeting of the Company's creditors and report on the conduct of the liquidation in the preceding year; or
- (b) lodge a report with the Australian Securities and Investment Commission ("ASIC") and, if requested, provide a copy to creditors.

In order to minimise costs, I will not be convening a meeting of creditors and consequently I have prepared and am lodging this report with ASIC in accordance with Section 508(i)(b)(ii) of the Act. Should creditors require copies of this report, they may access it online (www.veritasadvisory.com.au). Alternately, should they wish to receive a copy by mail or email, they may contact Cameron Lee of my Sydney office.

2. LIQUIDATOR'S ACTS AND DEALINGS

(a) Asset Realisations

i. Cash at Bank

At the date of my appointment, the Company operated a transaction account and held a term deposit with Westpac Banking Corporation. The cumulative balance at the date of my appointment was \$15,169. This has now been recovered and banked to the Company's Liquidation account.

ii. Motor Vehicles

I have not identified any assets owned by the Company. I note that there were motor vehicles which were registered in the Company's name. However, these motor vehicles were at all times owned by a related entity who were meeting all lease payments. I therefore consider these not to be assets of the Company and have closed my file on this matter.

I note that I received a payment of \$275 including GST to assist another related entity in recovering a further motor vehicle which was in the possession of a former employee of the Company. This vehicle was neither registered or owned by the Company.

(b) Fair Entitlements Guarantee

I received claims from the Company's former employees in the amount of \$173,923 including wages, annual leave, payment in lieu of notice and redundancy owed to the employees.

I forwarded the claims, totalling \$173,923 to the Australian Government Department of Employment ("DE") for payment under the Fair Entitlements Guarantee scheme ("FEG").

DE advanced \$173,923 to me for the distribution to eligible employees on claims admitted by DE. I subsequently remitted the funds to the employees for payment of their admitted claims.

Accordingly, DE is subrogated as a preferred (employee) creditor, thus having the same right to a dividend as employees pursuant to Section 556 of the Act.

3. CONDUCT OF WINDING UP

(a) Recovery Actions

I have identified several preference payments that I consider recoverable. The quantum of this recovery is approximately \$21,000. Further details will not be disclosed at this time so as not to prejudice the outcome of this recovery.

(b) Receipts and Payments

Attached as Annexure "A" is a schedule of Receipts and Payments for the period 16 May 2014 to 16 May 2015. I note cash at bank totals \$1,819.

4. **REPORTS TO ASIC**

When a liquidator forms the view that the Company is unable to pay a dividend of greater than 50 cents in the dollar or the liquidator has identified certain offences, the liquidator is required, pursuant to Section 533 of the Act, to complete and lodge a report with ASIC. I lodged this report with ASIC on 15 October 2014 and on 16 October 2014 ASIC advised that no further action was warranted at that stage.

5. **COMPLETION OF WINDING UP**

(a) Outstanding Matters

Preference Recovery

At this stage it is difficult to estimate the time it will take to achieve a successful result with respect to the preference action outlined in Section 3(a) of this report. Creditors will be advised in due course with respect to the recovery of same.

(b) Likely Dividend

On the basis of currently available information it appears there will be a dividend available to priority (employee) creditors only. It is unlikely there will be a dividend to unsecured creditors. I note that any distribution to creditors is subject to the recovery of any funds discussed in section 3(a) above.

(c) Estimated Time for Completion

In accordance with Section 508 of the Act, I am required to provide an estimate of when the winding up is likely to be completed. Whilst it is difficult to do so in light of the outstanding matters noted above, I believe it is likely that the winding up will be completed by March 2016. The exact date for completion is dependent on the recovery of the preference payments discussed at section 3 of this report.

Should you have any questions in relation to this matter please contact Cameron Lee of my Sydney office by telephone or by email on clee@veritasadvisory.com.au.

Yours faithfully,

ZENITH CIVIL INFRASTRUCTURE PTY LTD



DAVID IANNUZZI
Liquidator

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ANNEXURE "A"

ZENITH CIVIL INFRASTRUCTURE PTY LTD
ACN 160 086 260
(IN LIQUIDATION)

Summary of Estimated Receipts & Payments (Inc GST)

For the period 16 May 2014 to 16 May 2015

	\$
Receipts	
Cash at Bank	15,169
GST Refunds	1,363
Interest Income	2
Receipt of funds from FEG	173,923
Contributions	275
Total Receipts	<u>190,732</u>
Payments	
Liquidator's Disbursements	6,190
Liquidator's Fees	8,800
FEG Distribution	173,923
Total Payments	<u>188,913</u>
Cash available for distribution to creditors	<u>1,819</u>

I confirm pursuant to s539 of the Corporations Act 2001 that
accounts of Receipts and Payments have been lodged in the
prescribed form with the Australian Securities and
Investments Commission