

Chartered Accountant

30 August 2017

TO THE CREDITOR OR MEMBER AS ADDRESSED

Dear Sir / Madam,

DEH Electrical Services Pty Ltd (In Liquidation) ACN 145 911 637
Formerly Trading as DEH Electrical Services
("the Company")

As you are aware, I was appointed as Liquidator of the above Company on 29 November 2016. I write to provide you with notice of the final meeting of creditors and members of the Company to be held on Friday, 15 September 2017 at 10:00am at Level 3, 35 Outram Street, West Perth WA 6005.

Accordingly, please find the following **enclosed**:

- Notice of Meeting – Form 529;
- Liquidator's Final Report to Creditors and Members;
- Appendix A – Liquidator's Account of Receipts & Payments; and
- Form 532 – Appointment of Proxy.

Should you wish to attend the meeting of creditors, please complete the Form 532 – Appointment of Proxy (should it be required).

If you have any queries, please liaise with the above contact.

Yours faithfully



Kim Wallman – Liquidator of
DEH Electrical Services Pty Ltd (In Liquidation)
ACN 145 911 637

Encl.

FORM 529

Sub-regulations 5.6.12(2)

CORPORATIONS ACT 2001

NOTICE OF FINAL MEETING

DEH Electrical Services Pty Ltd (in Liquidation) ACN 145 911 637
Formerly trading as DEH Electrical Services
("the Company")

Notice is given pursuant to section 509(1) of the *Corporations Act 2001* that a meeting of creditors and members of the Company will be held at the offices of HLB Mann Judd (Insolvency WA), Level 3, 35 Outram Street, West Perth WA on Friday, 15 September 2017 at 10:00am.

The purpose of the meeting is to lay before the meeting an account showing how the winding up has been conducted and the property of the Company disposed of, and to hear any explanations that may be given by the Liquidator regarding same.

Dated this 30 August 2017



Kim Wallman – Liquidator

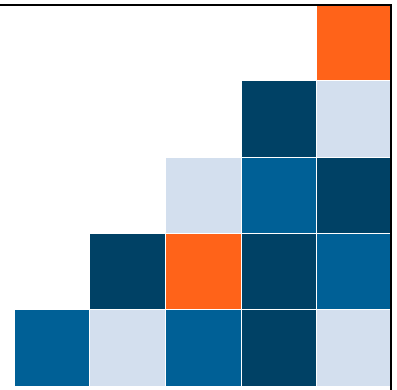
Tel: (08) 9215 7900

Fax: (08) 9321 0429

kwallman@hbinsol.com.au



Chartered Accountant



DEH Electrical Services Pty Ltd (In Liquidation)

ACN: 145 911 637

("the Company")

Liquidator's Final Report to Creditors and Members

Dated 30 August 2017


Liquidator	Kim Wallman
Appointment Date - Voluntary Administrator	27 October 2016
Appointment Date - Liquidator	29 November 2016
Final Meeting of Creditors	Friday, 15 September 2017 at 10:00am
Contact	Samantha Morgan
Telephone Number	(08) 9215 7900

HLB Mann Judd (Insolvency WA) ABN 54 686 879 814

Level 3, 35 Outram Street West Perth WA 6005 | PO Box 622 West Perth WA 6872 | Telephone +61 8 9215 7900 | Fax +61 8 9321 0429

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HLB Mann Judd (Insolvency WA) is a member of  International. A world-wide network of accounting firms and business advisers.

1. Introduction

As creditors will be aware, I, Kimberley Stuart Wallman, was initially appointed as Administrator of the Company on 27 October 2016 in accordance with a resolution passed by the Director of the Company pursuant to section 436A of the *Corporations Act 2001* ("the Act").

At a meeting of creditors held on 29 November 2016, creditors resolved that the Company should be placed into Liquidation and accordingly, I became the Liquidator of the Company on that date.

As the affairs of the Company have been fully wound up, a final meeting of creditors will be held on Friday, 15 September 2017 at 10:00am at the offices of HLB Mann Judd (Insolvency WA), Level 3, 35 Outram Street, West Perth Western Australia. The purpose of the meeting is to consider my account of the conduct of the winding up.

The purpose of this report is to provide creditors with a written account of the winding up, showing how the property of the Company has been disposed of, details of the outcomes of my investigations and to provide notice of the final meeting of the Company.

2. Asset Realisations

I advise that all of the assets of the Company have been realised. I set out below a summary of the asset realisations achieved during the liquidation, compared with the initial estimates disclosed to creditors in my Report to Creditors dated.

	As per Director's Report as to Affairs (Form 507)	Liquidator's Initial Estimated Realisable Values	Actual Realisations Achieved	Notes
	\$	\$	\$	
ASSETS				
Cash at Bank	2,100	2,172	2,173	
Stock / Plant and Equipment	CSI	CSI	13,200	1
Trade Debtors	87,871	50,000	24,404	
Director's Loan	302,567	302,567	198,246	2
TOTAL ASSETS	392,567	354,768	238,023	

Notes:

1. I initially considered these figures to be commercially sensitive information ("CSI") when I issued the report to creditors on 18 November 2016. I have now provided the amount realised.
2. The Director's loan account was settled following the sale of the property owned jointly with his partner. The Director and his partner cooperated with me throughout the process and I make note of their professional and diligent approach to settling the matter.

3. Details of Dividend Distributions

Based on the above asset realisations and as previously advised in my notice to creditors dated 3 July 2017, after the costs of the liquidation, there were sufficient asset realisations in the liquidation to pay a dividend distribution in full to the priority creditors and a partial dividend to unsecured creditors of the Company at the rate of 14.38 cents in the dollar.

Given the above and if you have not already done so, I respectfully suggest that you should consider the balance of the unsecured debt owed to you by the Company as unrecoverable and that you should write your debt off.

4. Outcomes of Liquidator's Investigations

I advise that I have finalised my investigations into the affairs of the Company.

A report pursuant to section 533 of the Act was forwarded to the Australian Securities and Investments Commission ("ASIC") on 22 December 2016 detailing my investigations into the affairs of the Company and possible offences committed by the Company's officers.

A reply was received from the ASIC advising the Commission did not propose to conduct an investigation into the affairs of the Company.

You may recall in my previous Report to Creditors dated 18 November 2016 a number of the investigations remained incomplete. Details of these investigations are now provided below.

Duty to ensure books and records are maintained in accordance with the Corporations Act (Section 286) – a company must keep written financial records that:

- a) *correctly record and explain its transactions and financial position and performance, and*
- b) *would enable true and fair financial statements to be prepared and audited.*

As initially discussed in my report to creditors dated 18 November 2016, I have formed the view that the Company maintained accurate books and records sufficient to enable the Director to assess the Company's financial position from time to time.

Insolvent transactions (Section 588FC) – *these are unfair preferences or uncommercial transactions entered into when the Company was insolvent or became insolvent as a result of entering into the transaction.*

My investigations into this matter are set out below:

Unfair preferences (Section 588FA) – *these are transactions where a company transacts with a creditor resulting in that creditor receiving more than the creditor would receive if the transaction were set aside and the creditor claimed the same amount in a liquidation. Unfair preferences paid by the Company within six months of the relation-back day (the day of the Liquidator's appointment) are void against the Liquidator. This timeframe is extended to four years should a related entity be a party to the transaction (s588FE(4)).*

You may recall my preliminary investigations had identified payments that may be considered to be preferential in nature and therefore repayable to a Liquidator. Further investigations revealed however that the Company was unlikely to be insolvent at the times that the payments were made, therefore I did not take any further action in respect of this matter.

Uncommercial transactions (Section 588FB) – these are transactions entered into that a reasonable person would not have entered, having regard to the benefits and detriment to the Company and to the other parties involved in the transaction. Uncommercial transactions entered into by a company are voidable against the Liquidator if they were entered into within two years of the relation-back day.

My investigations have not indicated the presence of any uncommercial transactions.

Unfair loans to a company (Section 588FD) – these are loans made to a Company where interest and other charges on the loan are extortionate. These transactions can be recovered regardless of when they were entered into as long as they were entered into on or before the winding up begun.

My investigations have not revealed any unfair loans.

Unreasonable director-related transactions (Section 588FDA) – these are transactions entered into by a company and a director, close associate of a director, or person on behalf of a director, which a reasonable person would not have entered into. The transaction must be a payment by a company, the transfer of property by a company, or the incurrance of an obligation of a director's by a company. These transactions are voidable if they were entered into within four (4) years of the relation-back day.

My investigations have not revealed any related party transactions.

Transactions entered into for the purpose of defrauding creditors (Section 588FE (5)) – these are insolvent transactions entered into for the purpose of defeating, delaying or interfering with the rights of creditors and were entered into within a period of ten (10) years prior to the relation-back day.

My investigations have not revealed any such transactions.

Circulating Security Interest created within six months (Section 588FJ) – where a circulating security interest is granted by the Company within six months of the relation-back day, the security interest is void against the Liquidator unless valuable consideration was given or the Company was solvent at the time of granting of the circulating security interest.

My search of the PPSR has not revealed any circulating security interests registered against the Company within six months of the relation-back day.

Directors' duty to prevent insolvent trading (Section 588G) – a Director of a Company has a duty to prevent a Company from incurring a debt when the Company is insolvent or there are reasonable grounds to suspect that the company is or would become insolvent.

A Director would fail to fulfil that duty if the Director was aware of the grounds for suspecting the Company is or would become insolvent or a reasonable person in a like position would be aware of such grounds.

The defences available to the Director are as follows;

- (i) The Director had reasonable grounds to expect, and did expect, that the Company was solvent and would remain so; or
- (ii) The Director had reasonable grounds to believe, and did believe, that a competent and reliable person was providing adequate information to the Director and based on that information the Director expected the Company to be solvent and to remain so; or
- (iii) The Director did not take part in the management of the company at the time due to illness or other good reason; or
- (iv) The Director took reasonable steps to prevent the Company from incurring the debt.

In my report to creditors dated 18 November 2016, I initially formed the view that the Director may have traded whilst insolvent, however, I have subsequently concluded that the Company the Director may have a valid defence to an insolvent trading recovery action.

In an event, the Director's only material personal asset was realised and recovered by the Company via the loan account matter discussed in section 2 above, therefore an insolvent trading recovery action would prove to be futile.

5. Lodgement of Previous Liquidator's Accounts at ASIC

Pursuant to section 539(5) of the Act, I am required to give notice to every creditor and contributory in any notice, report or circular that my six monthly accounts and statements (ASIC Form 524) have been completed and submitted to ASIC.

Accordingly, please see below a summary of my previous lodgements of the ASIC Form 524 to date:

Description	From	To	Date lodged
Presentation of Accounts and Statements – Form 524	27 October 2016	29 November 2016	9 December 2016
Presentation of Accounts and Statements – Form 524	29 November 2016	29 May 2017	13 June 2017

6. Summary of Receipts and Payments

Attached and marked Annexure "A" is a summary of the receipts and payments for the liquidation.

7. Matters Outstanding to Finalise the Liquidation

The following matters are required to be attended to in order to finalise the Liquidation of the Company:

- i. Convene Final Meeting of Creditors & Members;
- ii. Lodge minutes of Final Meeting with the Australian Securities and Investments Commission;
- iii. Lodge Final Business Activity Statement with the Australian Taxation Office;
- iv. Lodge Return of Final Meeting and Notice of Ceasing to Act with the Australian Securities and Investments Commission; and
- v. Lodge Final Receipts of Payments to the Australian Securities and Investments Commission.

8. Final Comments

Should you have any queries in relation to the content of this report, or require assistance in the completion of enclosed forms, please do not hesitate to liaise with the contact person detailed on the cover page of this report.

Yours faithfully,



Kim Wallman – Liquidator
DEH Electrical Services Pty Ltd (in Liquidation)
ACN 145 911 637

DEH Electrical Services Pty Ltd (in Liquidation) ACN: 145 911 637

Administrators and Liquidator's Account of Receipts and Payments

27 October 2016 to 29 August 2017

Receipts	\$
Director's loan account repayment	198,246
Pre-appointment debtors recovered	24,404
Sale of assets	13,200
Company cash at bank recovered	2,173
Insurance refund	2,156
BAS refund	1,214
Total	<u>241,393</u>
Payments	
Priority dividend distribution	137,871
Liquidator's remuneration	35,415
Unsecured creditor dividend distribution	24,722
Administrator's remuneration	23,612
Partial return to secured creditor	6,821
Liquidator's disbursements	1,226
Administrator's disbursements	618
Asset valuation fee	495
Bookkeeping fees	495
Storage costs	298
BAS payment	150
Bank charges	44
Total	<u>231,767</u>
Cash Balance	<u><u>**9,626</u></u>

****Note:** A Business Activity Statement ("BAS") refund for the Sep 2017 quarter, is expected to be received, in the amount of approximately \$3,314, the cash balance and the BAS refund will be drawn as approved Liquidator's remuneration and disbursements. A final account of receipts and payments can be provided to creditors upon request.

APPOINTMENT OF PROXY

STEP 1

Appoint a proxy to vote on your behalf

You can appoint any person over the age of 18 (Option 1) **OR** the Chairperson (Option 2) to represent you either through a special or general proxy.

You can specify on the proxy form how the proxy is to vote on a particular resolution, which the proxy must comply with. This is called a *'special proxy'*. Alternatively, you can allow the proxy to exercise his/her discretion as to how to vote on each of the resolutions put before the meeting. This is called a *'general proxy'*.

The Liquidator (or his or her nominee) must not use a general proxy to vote in favour of a resolution approving payment of the Administrator's / Liquidator's remuneration.

I / We
(Full name)

of
(Address)

being a creditor and/or member of DEH Electrical Services Pty Ltd (In Liquidation), entitled to attend and vote at the Meeting of Creditors and Members to be held on Friday, 15 September 2017 at 10:00am, hereby appoint:

OPTION
1

Appointee
(Full
name and
address)

as my / our general / special proxy.

OPTION
2

OR

the Chairperson of the Meeting of Creditors and members as my / our general / special proxy.

STEP 2

Sign *This section must be completed*

Name of
authorised
representative:

Date ____ / ____ / ____ Phone: _____ Email: _____

PLEASE RETURN THIS PROXY, duly completed, to Jasmin Greenaway via email to jgreenaway@hlbinsol.com.au, or via facsimile to 08 9321 0429, or via post to PO Box 622 West Perth WA 6872. Please note that proxy forms received after 5.00 pm on the day before the meeting may not be accepted.

Certificate of Witness

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor must not be witnessed by the person nominated as proxy.

I, of certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this day of 2017

Signature of Witness:

Address: