

TO CREDITORS AS ADDRESSED

9 December 2016

Dear Sir/Madam,

**Re: Force Corp Pty Limited
Force Towers Pty Limited
English & Leeds Pty Limited
Minipickers Holdings Pty Limited
Equipment Rental Investments Pty Limited
S.A. Access Equipment Pty Limited
A.C.N. 085 602 348 Pty Limited
(All Receivers & Managers Appointed and In Liquidation)
(collectively "the Companies")**

I refer to the appointment of Vaughan Neil Strawbridge and I as Joint and Several Administrators and subsequently Joint and Several Liquidators of the Companies on 13 July 2015 and 23 November 2015 respectively.

Concurrently, Messrs Christopher Hill and Brett Lord of PPB Advisory were appointed Receivers and Managers of the Companies on 13 July 2015 subject to security interests held by Recfin Nominees Pty Limited.

The 12 month anniversary of our appointment as Liquidators has passed. In the interest of minimising costs, the Liquidators have elected not to convene a meeting of the creditors in accordance with Section 508(1)(b)(i) of the Act. I have, however, prepared and lodged a report with the Australian Securities and Investments Commission (**ASIC**) pursuant to Section 508(1)(b)(ii) of the *Corporations Act 2001 (Cth)* (**the Act**) setting out the following for each company:

- i. An account of the Liquidators acts and dealings and the conduct of the winding up for the period 23 November 2015 to 22 November 2016
- ii. A description of the acts and dealings that remain to be carried out in order to complete the winding up
- iii. An estimate of when the winding up is likely to be completed.

A copy of the Annual Report to Creditors lodged with ASIC dated 9 December 2016 has been published on the Force Corp Pty Limited (In Liquidation) website at the following address <https://www2.deloitte.com/au/en/pages/finance/articles/force-corp.html>.

Should you wish to obtain a hard copy of this report, please contact either Chris Wollinski on (02) 9322 3122 or Will Hanrahan on (02) 9322 3397 or by email forcecorp@deloitte.com.au.

Yours faithfully,


David John Frank Lombe
Joint & Several Liquidator

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Member of Deloitte Touche Tohmatsu Limited



Annual Report to Creditors pursuant to Section 508 of the Corporations Act 2001

9 December 2016

Force Corp Pty Limited

Force Towers Pty Limited

English & Leeds Pty Limited

Minipickers Holdings Pty Limited

Equipment Rental Investments Pty Limited

S.A. Access Equipment Pty Limited

A.C.N. 085 602 348 Pty Limited

(All Receivers & Managers Appointed and In Liquidation)

(collectively "the Companies")



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Confidential - this document and the information contained in it are confidential

1. Executive Summary

1.1 Appointment

I refer to the appointment of Vaughan Neil Strawbridge and I as Joint and Several Administrators and subsequently Joint and Several Liquidators of the Companies on 13 July 2015 and 23 November 2015 respectively.

Concurrently, Messrs Christopher Hill and Brett Lord of PPB Advisory were appointed Receivers and Managers (**Receivers**) of the Companies on 13 July 2015 subject to security interests held by Recfin Nominees Pty Limited (in its capacity as trustee of the Recfin Series 2014-2 Trust) (**Recfin Nominees**).

1.2 Purpose of Report

This report has been prepared in accordance with Section 508(3) of the *Corporations Act 2001 (Cth)* (**the Act**) and outlines for each company:

- i. An account of the Liquidators acts and dealings and the conduct of the winding up for the period 23 November 2015 to 22 November 2016
- ii. A description of the acts and dealings that remain to be carried out in order to complete the winding up
- iii. An estimate of when the winding up is likely to be completed.

1.3 Investigations, Offences and Voidable Transactions

The Liquidators lodged separate reports with the Australian Securities & Investments Commission (**ASIC**) regarding each company's demise on 8 February 2016 pursuant to Section 533(1) of the Act.

ASIC subsequently advised the Liquidators on 10 February 2016 that after considering the Liquidators' reports, ASIC has sought further details about possible alleged misconduct relating to the officers of Force Corp Pty Limited and have requested a supplementary report for this company pursuant to Section 533(2) of the Act.

The Liquidators have realised \$100,000 from the settlement of alleged voidable transaction recoveries in the winding up of Force Corp Pty Limited pursuant to Section 588FE of the Act. The terms of each settlement are confidential and cannot be disclosed to creditors.

1.4 Completion

The winding up of each company is expected to be finalised in 2018, subject to the following tasks being completed:

- i. Undertake Public Examinations pursuant to Section 596A and Section 596B of the Act for the liquidation of Force Corp Pty Limited
- ii. Consider further voidable transaction recovery actions for the liquidation of Force Corp Pty Limited
- iii. Further investigations into the alleged insolvent trading claim including potential recovery actions
- iv. Supplementary report with ASIC for the liquidation of Force Corp Pty Limited in accordance with Section 533(2) of the Act
- v. Ongoing statutory compliance obligations.

2. Key Activities and Conduct during the Appointments

2.1 Administrators and Liquidators Appointments

On 13 July 2015, Vaughan Strawbridge and I were appointed Joint and Several Administrators of the Companies by Lease Collateral Pty Limited (in its capacity as trustee of the Specialised Finance Warehouse Trust 1) (**Lease Collateral**) pursuant to Section 436C of the Act.

At the Second Meeting of Creditors of the Companies duly convened and held on 23 November 2015, creditors resolved that each company be wound up pursuant to Section 439C(c) of the Act and that Vaughan Strawbridge and I be appointed as Liquidators of each company.

2.2 Receivers and Managers Appointment

Messrs Christopher Hill and Brett Lord of PPB Advisory were appointed Receivers and Managers (**Receivers**) of the Companies on 13 July 2015 subject to security interests held by Recfin Nominees.

As previously advised in our Report to Creditors pursuant to Section 439A of the Act dated 12 November 2015 (**Section 439A Report**), the assets, undertakings and the trading of the Companies were subject to the Receivers' appointment. Force Corp Pty Limited was the only trading entity of the Group as at the date of the initial appointment.

2.3 Reports with ASIC

The Liquidators lodged separate reports with ASIC regarding each company's demise on 8 February 2016 pursuant to Section 533(1) of the Act.

ASIC subsequently advised the Liquidators on 10 February 2016 that after considering the Liquidators' reports, ASIC has sought further details about possible alleged misconduct relating to the officers of Force Corp Pty Limited and have requested a supplementary report for this company pursuant to Section 533(2) of the Act.

The supplementary report will be lodged with ASIC shortly after the completion of the Public Examinations.

2.4 Voidable Transaction Recoveries

The Liquidators have realised \$100,000 from the settlement of alleged voidable transaction recoveries in the winding up of Force Corp Pty Limited pursuant to Section 588FE of the Act. The terms of each settlement are confidential and cannot be disclosed to creditors.

2.5 Engagement of a Litigation Funder

Pursuant to Section 477(2B) of the Act, except with the approval of the Court, the Committee of Inspection (**Committee**), or a resolution of the creditors, a liquidator of a company must not enter into an agreement on the company's behalf if the terms of the agreement are more than 3 months after the agreement is entered into, even if the term may end, or the obligations may be discharged, within those 3 months.

At the Committee meeting held on 29 August 2016 for the winding up of Force Corp Pty Limited, Committee members resolved for the Liquidators to enter into two separate litigation funding agreements with Litigation Lending Services Limited for the purposes of progressing the alleged insolvent trading claim and unfair preference claims against various parties.

The funding agreements came into effect on 7 September 2016.

The Liquidators are currently progressing the alleged insolvent trading claim against the Directors and unfair preference claims against various parties.

2.6 Public Examinations

To assist the Liquidators with their investigations into the demise of Force Corp Pty Limited, Public Examinations are currently underway in the Supreme Court of New South Wales pursuant to Section 596A and Section 596B of the Act. The scheduled dates for the Public Examinations are as follows:

Dates of Examinations	Completed / To be Completed
3 November 2016 to 4 November 2016	Completed
30 January 2017 to 3 February 2017	To be Completed

The Public Examinations will assist the Liquidators with their investigations into the demise of Force Corp Pty Limited for the benefit of progressing recovery actions against the Directors for the alleged insolvent trading claim and voidable transaction claims against various parties.

2.7 Realisation of Assets

Coates Hire Access SPV Pty Limited completed the acquisition of the majority of Force Corp's assets on 1 September 2015. Due to the commercially sensitive nature of the sale, the former Administrators and Liquidators have not been provided with the particulars for this transaction.

We understand that all remaining assets of the Companies have been realised which included assisting Recfin Nominees with the collection of debtors subject to the Receivables Purchasing Agreement.

The Liquidators have been notified by the Receivers that there were insufficient realisations to payout the first ranking secured chargeholders Lease Collateral and Recfin Nominees, **resulting in zero realisations available for the benefit of unsecured creditors.**

2.8 Fair Entitlements Guarantee

As advised in previous communications, once Force Corp Pty Limited (the trading entity) was placed into Liquidation, eligible employees would be able to lodge a claim for assistance on certain classes of their outstanding entitlements to the Fair Entitlements Guarantee (**FEG**) scheme, which is administered through the Department of Employment – Australian Government (**DOE**).

The Liquidators assisted former employees and the DOE with the verification and distribution of eligible entitlements. Strict time limits apply under the FEG scheme whereby claims from eligible employee must be made by either no more than 12 months after the end of their employment or the date of the insolvency event (whichever is later). As both milestone dates have now lapsed, no further claims under the FEG scheme can be made by former employees of Force Corp Pty Limited.

The DOE has advanced \$5,436,360.32 under the FEG scheme for outstanding employee entitlements which is summarised in the table below:

Employee Entitlement	Amount (\$)
Unpaid Wages (salary sacrifice superannuation)	40,138.42
Annual Leave (including Leave Loading)	1,013,339.19
Long Service Leave	656,350.22
Payment in Lieu of Notice (PILN)	1,437,945.42
Redundancy	2,288,587.07
Total	5,436,360.32

The DOE has a right of subrogation in the winding up pursuant to Section 560 of the Act for amounts paid to priority (employee) creditors for outstanding entitlements. Creditors are advised that superannuation is not an eligible entitlement claimable under the FEG scheme.

The Liquidators received \$102,190 in funding from the DOE for our professional fees with respect to the verification and distribution of employee entitlements under the FEG scheme for Force Corp Pty Limited.

3. Receipts and Payments

Pursuant to Section 539(1) of the Act, a liquidator must, within 1 month after the end of the period of 6 months from the date of his or her appointment and of every subsequent period of 6 months during which he or she acts as liquidator lodge with ASIC an account of the receipts and payments.

The latest lodgements of the receipts and payments with ASIC occurred for each company on 22 June 2016.

A copy of the respective accounts may be inspected at the Liquidators' office during normal business hours by prior appointment.

A summary of the receipts and payments for each entity for the period 23 November 2015 – 22 November 2016 (inclusive) is annexed to this report as outlined in the table below:

Entity	Attachment
Force Corp Pty Limited	Annexure A
Force Towers Pty Limited	Annexure B
English & Leeds Pty Limited	Annexure C
Minipickers Holdings Pty Limited	Annexure D
Equipment Rental Investments Pty Limited	Annexure E
S.A. Access Equipment Pty Limited	Annexure F
A.C.N. 085 602 348 Pty Limited	Annexure G

4. Estimated Completion Date

The winding up of each company is expected to be finalised in 2018, subject to the following tasks being completed:

- i. Undertake Public Examinations pursuant to Section 596A and Section 596B of the Act for the liquidation of Force Corp Pty Limited
- ii. Consider further voidable transaction recovery actions for the liquidation of Force Corp Pty Limited
- iii. Further investigations into the alleged insolvent trading claim including potential recovery actions
- iv. Supplementary report with ASIC for the liquidation of Force Corp Pty Limited in accordance with Section 533(2) of the Act
- v. Ongoing statutory compliance obligations.

If you wish to obtain a copy of this report, please contact Will Hanrahan of this office on (02) 9322 3397 or whanrahan@deloitte.com.au and a copy of the report will be forwarded to you.

DATED this 9th day of December 2016.


David John Frank Lombe
Joint & Several Liquidator

**Summary of Receipts and Payments for the period 23 November
2015 to 22 November 2016 (inclusive)**

**Force Corp Pty Ltd
(Receivers & Managers Appointed)
(In Liquidation)
ACN 109 630 079**

<u>Receipts</u>	<u>Amount \$</u>
Bank Interest	3,894
FEG Funds Received	5,436,360
Settlement monies	100,000
Third Party Contributions	401,094
Funding provided by Litigation Lending Services Ltd	35,315
PAYG	476
Total Receipts	5,977,140

<u>Payments</u>	
FEG Distribution	5,436,360
Legal Fees (Taxable)	12,727
Superannuation	151
Wages & Salaries	1,586
Administrators and Liquidators Remuneration	464,713
Administrators and Liquidators Expenses	51,177
Data Room	1,000
GST Receivable	9,321
GST Clearing Account	619,122
Withholding Tax (PAYG)	(619,124)
Total Payments	5,977,034
Cash at Bank as at 22 November 2016	106

**Summary of Receipts and Payments for the period 23 November
2015 to 22 November 2016 (inclusive)**

**Force Towers Pty Ltd
(Receivers & Managers Appointed)
(In Liquidation)
ACN 159 994 902**

<u>Receipts</u>	<u>Amount \$</u>
	Nil
<u>Total Receipts</u>	<u>Nil</u>
<u>Payments</u>	
	Nil
<u>Total Payments</u>	<u>Nil</u>
<u>Cash at Bank as at 22 November 2016</u>	<u>Nil</u>

**Summary of Receipts and Payments for the period 23 November
2015 to 22 November 2016 (inclusive)**

**English & Leeds Pty Ltd
(Receivers & Managers Appointed)
(In Liquidation)
ACN 120 813 327**

<u>Receipts</u>	<u>Amount \$</u>
	Nil
<u>Total Receipts</u>	<u>Nil</u>
<u>Payments</u>	
	Nil
<u>Total Payments</u>	<u>Nil</u>
<u>Cash at Bank as at 22 November 2016</u>	<u>Nil</u>

**Summary of Receipts and Payments for the period 23 November
2015 to 22 November 2016 (inclusive)**

**Minipickers Holdings Pty Ltd
(Receivers & Managers Appointed)
(In Liquidation)
ACN 150 280 416**

<u>Receipts</u>	<u>Amount \$</u>
	Nil
<u>Total Receipts</u>	<u>Nil</u>
<u>Payments</u>	
	Nil
<u>Total Payments</u>	<u>Nil</u>
<u>Cash at Bank as at 22 November 2016</u>	<u>Nil</u>

**Summary of Receipts and Payments for the period 23 November
2015 to 22 November 2016 (inclusive)**

**Equipment Rental Investments Pty Ltd
(Receivers & Managers Appointed)
(In Liquidation)
ACN 147 941 268**

<u>Receipts</u>	<u>Amount \$</u>
	Nil
<u>Total Receipts</u>	<u>Nil</u>
<u>Payments</u>	
	Nil
<u>Total Payments</u>	<u>Nil</u>
<u>Cash at Bank as at 22 November 2016</u>	<u>Nil</u>

**Summary of Receipts and Payments for the period 23 November
2015 to 22 November 2016 (inclusive)**

**S.A. Access Equipment Pty Ltd
(Receivers & Managers Appointed)
(In Liquidation)
ACN 007 884 933**

<u>Receipts</u>	<u>Amount \$</u>
	Nil
<u>Total Receipts</u>	<u>Nil</u>
<u>Payments</u>	
	Nil
<u>Total Payments</u>	<u>Nil</u>
<u>Cash at Bank as at 22 November 2016</u>	<u>Nil</u>

**Summary of Receipts and Payments for the period 23 November
2015 to 22 November 2016 (inclusive)**

**A.C.N. 085 602 348 Pty Ltd
(Receivers & Managers Appointed)
(In Liquidation)
ACN 085 602 348**

<u>Receipts</u>	<u>Amount \$</u>
	Nil
<u>Total Receipts</u>	<u>Nil</u>
<u>Payments</u>	
	Nil
<u>Total Payments</u>	<u>Nil</u>
<u>Cash at Bank as at 22 November 2016</u>	<u>Nil</u>