

9 June 2023

To Beneficiaries as Addressed

Dear Sir/Madam

WBHOI Creditors' Trust (the Trust)

UPDATE TO BENEFICIARIES

This Report should be read in conjunction with the previous report dated 23 March 2022. All amounts are approximate.

I refer to our appointment as Joint and Several Administrators to WBHO Infrastructure Pty Ltd (**the Company or WBHOI**) on 23 February 2022 and my subsequent appointment as Trustee of the Trust.

Below is a general update.

1.1 Asset Realisations

1.1.1 Transaction with SRG Global Ltd

The transaction provided for a contribution of \$15.9m to the Trust.

1.1.2 Customer Receipts/Debtors

I have recovered a total of \$27.4m to date. Further amounts being pursued are discussed below.

1.1.3 45 Hope Valley Road, Naval Base (the Property)

I marketed and sold the Property and \$6m in net sales proceeds were realised.

1.1.4 Plant and Equipment

Assets not included in the transaction were sold via auctioneers for net proceeds of \$2.6m

1.2 Customer Claims

1.2.1 Amey Consulting Australia Pty Ltd

Following extensive negotiations and formal mediation the matter was settled for a payment of \$6m to the Trust.

1.2.2 Mondium JV

I continue to review the claim which is significant and complex.

The matter is unlikely to be resolved quickly and, should litigation proceed, it may be more than a year before the outcome is known.

I will continue to pursue the matter while it remains commercially sensible to do so.

1.3 Employee Entitlements

All employees were either offered employment or had their entitlements paid in full by the Trust.

1.4 Bonds

The bonds are subject to various defect liability periods, which has delayed resolution of outstanding amounts.

I am continuing to work collaboratively with the Principals in order to reduce additional bonding liabilities.

1.5 Sub-Contractor Distributions

Certain customers have directly paid the sub-contractors on various projects.

These sub-contractors are therefore no longer beneficiaries of the Trust.

1.6 Beneficiary Claims

Claims against the Trust are considerable and varied, with many aspects remaining uncrystallised or contingent.

I have not yet formally adjudicated beneficiaries' claims. The final return to beneficiaries will be dependent upon the level of admitted claims.

1.7 Conclusion

There remain several important matters, including:

- Settlement of claims against customers;
- Determination of the bond positions; and
- Formally adjudicating the quantum of beneficiary claims.

Until the above is clearer I am not able to provide an estimate of the timing and quantum of a return to beneficiaries. I tentatively suggest a return of not more than 10c in the dollar might be paid before then end of 2025. I emphasise this is a crude estimate only and the actual outcome may be materially different.

Given such a delay is likely, I will consider the merits of an interim dividend.

In any event, I will provide a further update to beneficiaries around November 2023.

In the meantime, should you have any queries regarding this report, please do not hesitate to contact us by email to WBHOI@deloitte.com.au.

Yours faithfully



Matthew Donnelly
Trustee of the WBHOI Creditors' Trust

Annexure A

WBHOI Creditors Trust

Receipts and Payments Summary as at 31 May 2023

Receipts & Payments Summary		\$
Receipts		
Deed Proponents Contribution		15,886,435.33
Trading Surplus		1,679,909.14
Collectable debtors		9,126,117.75
Amey Settlement		6,000,000.00
Melbourne Water Debtor		6,907,115.20
Rental income receipts		268,331.46
Miscellaneous credit refunds		44,001.07
Insurance refunds		475,210.46
Bank Interest		252,802.65
Net Proceeds from sale of Plant & Equipment		2,579,772.33
Net proceeds from sale of Freehold Land		5,955,096.57
Total Receipts		49,174,791.96
Payments		
Trade on liabilities		5,375,365.31
Vehicle Running Costs		578,628.08
Casual Labour		711,132.40
Repairs & Maintenance		17,018.77
Hire of Equipment		1,357,406.69
IT & Telecommunications		94,775.08
Reimbursement of Employee Expenses		20,859.02
Sundry Expenses		271,432.65
Intercompany recharge		1,384,876.41
Insurance of Assets (Taxable)		137,415.22
Contractor settlement		130,000.00
Bank Charges		13,213.44
Government charges (FBT, Myleave & Child support)		541,402.07
Payroll Taxes		208,726.86
Rates (Council)		38,495.35
Sundry Expenses (GST Free)		20,263.54
IT Software Expenditure		7,381.55
Employees priority dividend		1,677,918.54
Superannuation Expense		46,891.67
P&E Cost of realisation (commission & other charges)		192,003.67
Property Cost of realisation (Agent fees & other charges)		194,903.43
Appointee Remuneration		1,920,667.09
Legal Fees (Taxable)		2,148,569.59
Total Payments		17,089,346.42

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