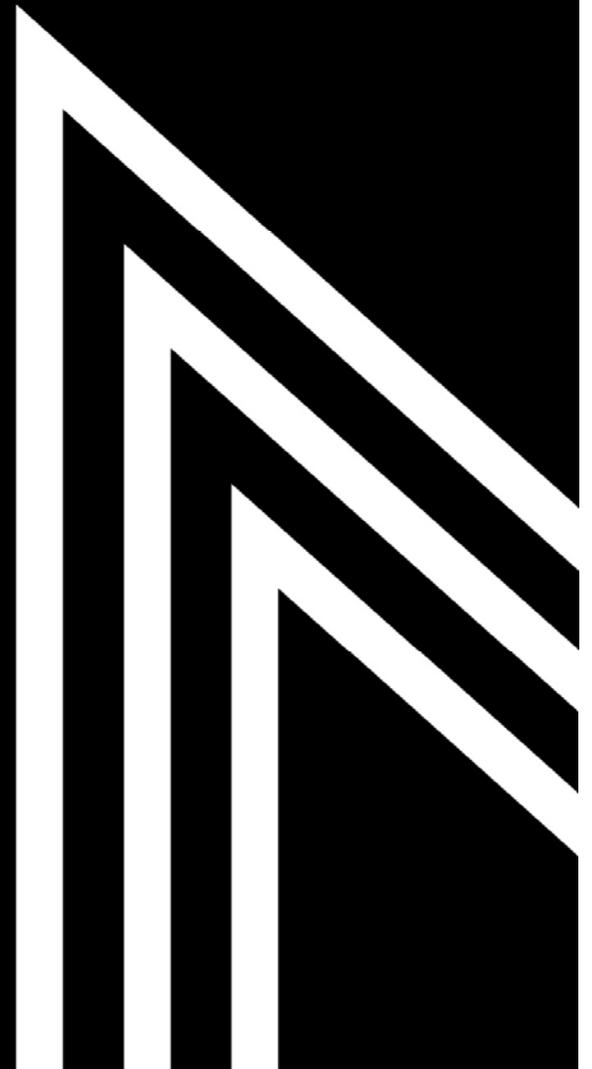

Fourth Annual Report to Creditors

**Wine Investment Services Pty Ltd ACN 121 915 366
(Receivers Appointed) (In Liquidation)**

8 January 2018



McGrathNicol



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1 Introduction

1.1 Purpose of Report

This is the Fourth Annual Report (**Report**) to the creditors (**Wine Holders**) of Wine Investment Services Pty Ltd (**WIS**), prepared by Shaun Robert Fraser, Liquidator of WIS.

As was the case with our Third Annual Report to Creditors dated 18 December 2016, pursuant to section 508(1)(b)(ii) of the Corporations Act 2001 (**the Act**), the Liquidator has made a determination to prepare a Report rather than convene a meeting of creditors. This Report has been prepared in accordance with section 508(3) of the Act, outlines the key activities undertaken over the period 10 October 2016 to 9 October 2017 and has been lodged with ASIC pursuant to section 508(4) of the Act.

2 Key activities undertaken

The key activities undertaken by the Liquidator over the course of the past 12 months involved:

- assisting the New South Wales Police with their investigations into the conduct of the director of WIS;
- dealing with statutory duties imposed on me as a Liquidator of a company; and
- corresponding with Wine Holders and managing the engagement.

2.1 Court Appointed Receivers

As previously advised, Chris Honey and I were appointed as the Court Appointed Receivers of wine stock under the control of PriceWaterHouseCoopers and Deloitte (**Wine Stock**) on 4 November 2014. This was the wine owned by the Wine Holders and stored by WIS. Various orders of the Court imposed instructions on us to adjudicate and deal with all claims in relation to the Wine Stock and run a process to either sell or return the Wine Stock to the Wine Holders.

I note that as Receiver, I have now:

- completed the sale of the Wine Stock for Wine Holders who elected to sell their wine;
- collected the Recovery Charge from Wine Holders who elected to collect their wine; and
- distributed the surplus proceeds received from the sale of the Wine Stock and Recovery Charge in accordance with the Orders of the Supreme Court.

2.2 Distribution to Wine Holders

WIS held no assets as at the date of our appointment and there have been no recoveries by the liquidator. Accordingly, there were no funds available to pay for the costs of the liquidation or distribute to ordinary unsecured creditors.

In my role as Court appointed Receiver of wine held by WIS, I held excess proceeds of \$213,393 after paying all Court approved costs. Pursuant to Annexure A of the Court Orders (paragraph 7e), on 19 June 2017, a distribution was made proportionately between Wine Holders who elected to recover their wine and pay the Recovery Charge, and Wine Holders who elected to sell their wine, based on the aggregate of the wine sale and Recovery Charge proceeds.

All proceeds have been distributed and the Receiver does not hold any further funds as per the receipts and payments summary in Appendix A.

2.3 Director offences

Please refer to the Second Annual Report to Creditors dated 15 February 2016 for a summary of director offences.

Refer to Section 3 of this Report for an outline of the Police investigation.



3 Investigations

As previously noted in our Third Report to Creditors dated 18 December 2016, the New South Wales Police are continuing their investigation into the conduct of the director. As you will appreciate, given the sensitivity of this investigation I cannot provide creditors with further information at this time.

Should creditors wish to discuss their missing wine with the Police directly, I am able to provide contact details.

4 Liquidators' Remuneration

Details of the Liquidators' remuneration for the Company is summarised as follows:

Wine Investment Services (Receivers Appointed)(In Liquidation)				
Actual fees incurred from appointment (10 October 2013) to 31 October 2017				
(\$ Excluding GST	Fees incurred	Fees approved	Fees drawn	Outstanding fees
Wine Investment Services	152,221	100,000	-	152,221
Total	152,221	100,000	-	152,221

The Liquidator was granted approval for fees up to a sum of \$100,000 at the meeting of creditors held on 25 October 2013, to be drawn upon for the payment of fees should funds become available in the liquidation.

There have been no funds made available to date in the liquidation to pay for the fees approved and incurred.

Accordingly, no fees have been drawn and it is unlikely that any future recoveries will be made by the Liquidator to pay the outstanding fees incurred.

As noted in the circular to Wine Holders dated 29 May 2017, Chris Honey retired from McGrathNicol partnership on 30 June 2015 and as Liquidator of WIS on 29 May 2017.

5 Remaining activities in the liquidation

Section 508(3) of the Act requires that a Liquidator provide:

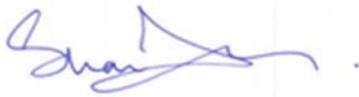
- a description of the acts and dealings that remain to be carried out; and
- an estimate of when the winding up is likely to be completed.

The liquidation can only be finalised upon completion of the work to be undertaken in my role as Court Appointed Receiver. I also consider it prudent to establish what, if any, assistance might be required from the NSW Police in relation to its investigations. In my capacity, as Court Appointed Receiver I hold approximately \$25,000 of unrepresented cheques from the final distribution made on 19 June 2017 to Wine Holders. We are required by law to wait six months before we are able to cancel any unrepresented cheques and remit the funds to the Australian Securities and Investment Commission (**ASIC**) as unclaimed monies.

Once Wine Holders present all cheques, or funds are otherwise provided to ASIC as unclaimed monies, I will apply to the Court to retire as Receiver.

Should you have any queries in relation to the above, please contact Mr Stefan Maricic of this office on (02) 9248 9902.

Dated 8 January 2018



Shaun Fraser

Liquidator

Appendix A – Receipts and payments

Wine Investment Services (Receivers Appointed)(In Liquidation)

Liquidator's account of receipts and payments for the period
from 10 October 2016 to 31 October 2017

Description	Amount (\$ inc GST)
Receipts	
(No receipts during the period)	-
Total receipts for the period	-
Payments	
(No payments during the period)	-
Total payments for the period	-
Net receipts (payments) for the period	-
Opening cash at bank as at 10 October 2016	592
Closing cash at bank as at 31 October 2017	592

Wine Investment Services (Receivers Appointed)(In Liquidation)

Court Appointed Receiver's account of receipts and payments for the period
from 10 October 2015 to 9 October 2016

Description	Amount (\$ incl GST)
Receipts	
Recovery charge	160,704
Remaining wine stock	1,750,802
Unclaimed wine stock	466,913
GST refund	150,269
Interest income	6,921
Total receipts for the period	2,535,609
Payments	
Appointee fees and disbursements	(575,801)
First and second respondents (Deloitte) fees and disbursements	(625,917)
Third and fourth respondents (PwC) fees and disbursements	(106,050)
Insurance expense	(32,552)
Legal fees	(343,619)
Sale of wine stock expenses	(483,045)
Distribution to Wine Holders for sale of Remaining wine stock	(195,128)
Distribution to Wine Holders for payment of Recovery charge	(18,265)
GST payment	(155,231)
Total Court approved costs	(2,166,985)
Total payments for the period	(2,535,609)
Net receipts (payments) for the period	-
Opening cash at bank as at 4 November 2014	-
Closing cash at bank as at 31 October 2017	-