

## Report to Creditors

8 April 2016

Dear Sir/Madam

**Palandri Limited ACN – 087 787 415 (PL)**

**PWPL ACN – 085 042 879 Ltd (formerly Palandri Wine Production Ltd) (PWPL)**

**PWL ACN – 084 252 488 Ltd (formerly Palandri Wines Ltd) (PWL)**

**PIML ACN – 091 709 769 Ltd (formerly Palandri Investment Management Ltd) (PIML)**

**MRWIPL ACN – 112 505 692 Pty Ltd (formerly Margaret River Wine Investments Pty Ltd) (MRWIPL)**

**PFL ACN – 090 580 500 Ltd (formerly Palandri Finance Ltd) (PFL)**

**All in Liquidation, (Collectively “the Group”)**

As you may be aware, Neil Cussen, Gary Doran and I were appointed Joint and Several Administrators (**Administrators**) of companies in the Group on 15, 26 and 27 February 2008 and subsequently appointed Joint and Several Liquidators (**Liquidators**) on 7 October 2008. Gary Doran resigned as Liquidator of the Group on 29 September 2015.

The purpose of this report is to provide you with an update on the progress of the liquidations and to inform you that we have lodged a report with the Australian Securities and Investments Commission (“ASIC”) instead of convening an annual general meeting of the creditors.

The Liquidators reported in their last report dated 13 December 2013 that:

- ASIC had written to the Liquidators advising that it would not be undertaking an investigation into matters reported to ASIC by the Liquidators
- The Liquidators discontinued all action against the auditors. This was the last remaining matter to be dealt with by the Liquidators
- The Receivers of PFL were still pursuing certain receivables due to PFL. To preserve the legal status of PFL whilst the Receivers were continuing their work, the Liquidators of PFL agreed not to retire until after the Receivers retired. Further, given the complexity of the Group, the Liquidators did not intend to formally terminate the Liquidations of any companies within the Group until the Receivership of PFL was complete.

Since 13 December 2013 the Liquidators have continued to monitor the progress of the Receivers of PFL. The last update we received from the Receivers was that they had completed recovery of receivables due to PFL and that they were in the process of retiring. The Receivers expect to retire within the next 2 – 3 weeks after completion of their statutory requirements.

Given this, and that there are no remaining matters left to be dealt with by the Liquidators, the Liquidators will shortly commence the process to retire as Liquidators of the Group and apply to ASIC to have the Group deregistered. Part of that process will involve convening a final meeting of members and creditors of the Group; therefore, we will shortly be issuing a final report to members and creditors setting out an account of the conduct of the liquidations together with a notice of meeting.

## Frequently Asked Questions

1. **Q.** I invested in one of PL, PWL and PFL. For tax purposes can the Liquidators confirm my investment is worthless?
  - A. Given that the liquidations of PL, PWL and PFL are nearing completion and there will not be a distribution to shareholders, the Liquidators confirm that any investment in PL, PWL and PFL is worthless.
2. **Q.** As there is no prospect of any return for unsecured creditors or investors, where did the money go from asset realisations?
  - A. There is a legal order as to who gets paid first. In summary, the following was the outcome:
    - a) The outcome in all the companies is no different to the rest of the Group.
    - b) The proceeds of asset sales (less costs) were distributed to the relevant secured creditors, who did not recover all their debt.
    - c) Subject to conditions and eligibility employees have been able to claim unpaid remuneration under a Government Scheme (FEG, formerly known as GEERS).
    - d) The Liquidators of the Group will not be paid in full (shortfall of approximately \$150,000)
    - e) In all of the Group companies unsecured creditors will not receive any dividend
    - f) There is no return to investors in the Schemes.

## Liquidators' Annual General Meeting

Pursuant to section 508(4) of the Corporations Act 2001, the Liquidators have decided not to convene an annual general meeting of the companies in the Group under subparagraph (1)(b)(i); and have:

- a) Prepared this report under subparagraph (1)(b)(ii) and sent notice of it to creditors of the Group's entities; and
- b) Lodged a copy of this report with ASIC.

In addition to this report, we refer creditors to our previous reports, notices and circulars which can be accessed from our website at [www.deloitte.com/au/palandri](http://www.deloitte.com/au/palandri).

If you have any questions or would like to discuss this report further, please contact Tyron Lopes on (08) 9365 8171 or by email [tylopes@deloitte.com.au](mailto:tylopes@deloitte.com.au)

Yours faithfully



**John Greig**  
Joint and Several Liquidator