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date / 1 April 2010

## To The Creditor as Addressed

### JAMES COMMODITY EXPORTS PTY LTD (IN LIQUIDATION) A.C.N. 009 262 588 ("THE COMPANY")

I refer to all previous correspondence to creditors and provide the following update.

#### Position of Company

I summarise the position of the Company below:

Note	Item	Book Value	Est. Recovery
1	Loans	2,078,000.00	450,000.00
2	Boat	50,000.00	50,000.00
3	Misc Plant	12,000.00	10,000.00
4	Cash at Bank	930,000.00	930,000.00
		<u>3,070,000.00</u>	<u>1,440,000.00</u>
5	Liquidators costs & expenses		466,000.00
6	ATO 1st Dividend provision		72,000.00
7	Balance of admitted claims		594,000.00
			<u>1,132,000.00</u>
8	Interest		143,000.00
	Est. Surplus		<u>165,000.00</u>

#### Notes:

- I note the majority of loan accounts are related entities however the anticipated return is minimal from most of those entities. The director's loan account is approximately \$1.5m however recent advice from the administrator of his estate is such that the estate is insolvent and that a bankruptcy trustee should be appointed. I conservatively estimate a recovery of some 30c/\$. Previous estimates of distribution dates were based on full payment of this loan account from the director's estate however, given the above, I will be required to lodge a claim in the bankrupt estate and await distribution from the Trustee.  
  
I will pursue all other loan accounts as appropriate.
- The boat is in storage and was being considered for an in-specie distribution to the Company's shareholder as part of the surplus assets.
- Miscellaneous plant and equipment is minimal.
- Cash at bank is the balance of funds presently held in the liquidator's account.
- The main provision of some \$450,000 is the potential CGT liability arising from the sale of the shares and the accounting costs associated with that final tax return. This is being prepared and should be lodged in the near future. On completion of the return and payment to the ATO, any surplus funds in the bank account will be distributed to creditors.
- The ATO did not receive a first dividend as its claim had yet to be finalised. An equalising payment will be made to the ATO in the near future.
- This represents the balance of admitted claims yet to be paid (i.e. after the first dividend of 65c/\$, the balance of 35c/\$ on all admitted claims).
- In the event all creditors are paid in full, interest is payable pursuant to the Corporations Act.

**Distributions**

Previously proposed dates for distribution were based on the sale of the director's house and anticipated receipts from the administrator of the estate. Given the above developments, future distributions will now depend on the actual taxation liability of the liquidation period and receipt of the distribution from the director's estate. I am presently unable to advise as to a potential distribution date.

I will advise creditors as to relevant developments in this matter as they arise.

If you have any queries, please contact Mr Sameh Bekhit, of this office.

Yours faithfully



**Carl Huxtable**  
**Liquidator**