

26 September 2014

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TO CREDITORS

Dear Sir/Madam

**Killarnee Civil & Concrete Contractors Pty Ltd (Administrators Appointed)
ACN 085 230 486 (the Company)**

We refer to the appointment of Darren Weaver, Ben Johnson and Martin Jones as Joint and Several Voluntary Administrators of the Company on 1 September 2014 pursuant to section 439A of the Corporations Act 2001 (**the Act**).

On 10 September 2014, the first meeting of creditors was held and our appointment as Joint and Several Administrators was ratified. We are now in a position to convene the second meeting of creditors to determine the Company's future.

Enclosed is the Administrators' report to creditors pursuant to Section 439A(4)(a) of the Act together with the following in respect of the meeting of creditors:

1. Notice of Concurrent Second Meetings of Creditors to be held on **Tuesday, 7 October 2014 at 11:00am at the Holiday Inn Hotel, 778-788 Hay Street, PERTH WA 6000.**
You should arrive for registration at least 20 minutes prior to the meeting.

2. Informal Claim Form for Voting Purposes. If you submitted this form for the purposes of the first meeting of creditors, you do not need to submit another form for this meeting unless you seek to amend your claim.

A person is not entitled to vote at the meeting unless they provide particulars of their debt or claim to the Administrators before the meeting. Please note this form is for voting purposes only. All creditors must furnish details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien/pledge over goods in their possession which are property of the Company.

3. Appointment of Proxy Form. This form enables you to appoint another person to act on your behalf at the meeting. Proxy Forms submitted at the first meeting of creditors are not valid for this meeting.

The Informal Claim Form for Voting Purposes and Proxy Form should be lodged with this office before the meeting and, in any event not later than 4.00pm on the day prior to the meeting.

Forms can be sent by facsimile on (08) 9214 1400 marked to the attention of Nirav Shah or scanned and emailed to Nirav.Shah@fh.com.au. However, Corporations Regulation 5.6.36A requires lodgement of the original of the Proxy Form with the Administrators' office within 72 hours of lodging the faxed/emailed copy.

4. Administrators' report to creditors pursuant to Section 439A(4)(a) of the Act which includes an opinion, with supporting reasons, on each of the following matters:
- Whether it would be in the creditors' interests for the Company to execute a Deed of Company Arrangement (**DOCA**).
 - Whether it would be in the creditors' interests for the Company to be wound up.
 - Whether it would be in the creditors' interests for the administration to end.

Creditors also have the option to adjourn the meeting for a period not exceeding forty-five (45) business days.

Creditors should be aware that in the event a deadlock arises in respect to a resolution to either execute a DOCA or wind the Company up, the Chairman may exercise his "casting vote" to pass the resolution or cause it to fall away, subject to his recommendations.

Should this occur, then pursuant to Section 600B of the Act, those creditors that voted against the resolution may apply to the Court for an order to set aside or vary same.

Conversely, should the Chairman not exercise his casting vote and a proposed resolution is not passed at the second meeting of creditors, then pursuant to Section 600C of the Act, a creditor may apply to the Court that the resolution be passed provided that they voted in some capacity on the resolution (either for or against).

5. Administrators' Remuneration Request Approval Report which sets out:
- Details of time spent by category of staff at the rates applicable for such staff.
 - A summary of the work undertaken by the Administrators' and their staff in the administration.
 - A summary of the likely tasks and estimated remuneration of the Deed Administrators and Liquidators, should creditors resolve that the Company execute a DOCA or be wound up.

For further information concerning the Voluntary Administration process and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com.

Should you have any questions regarding the administration or the enclosed report, please do not hesitate to contact either Nirav Shah or Max Gould of this office on (08) 9214 1444.

Yours faithfully
Killarnee Civil & Concrete Contractors Pty Ltd



Martin Jones
Joint and Several Administrator

Encl.

**Form 529A
Corporations Act 2001**

Subregulation 5.6.12(2)

**Notice of concurrent second meetings of creditors
of a company under administration**

**Killarnee Civil & Concrete Contractors Pty Ltd (Administrators Appointed)
ACN 085 230 486 ("KCCC")**

**Killarnee Contracting Pty Ltd (Administrators Appointed)
ACN 109 535 686 ("KCPL")**

**Killarnee Equipment Holdings Pty Ltd (Administrators Appointed)
ACN 125 969 502 ("KEH")**

(Collectively referred to as "the Companies")

NOTICE is given that the concurrent second meetings of creditors of the Companies will be held at the Holiday Inn Hotel, 778-788 Hay Street, PERTH WA 6000 on Tuesday, 7 October 2014 at 11:00am (AWST).

Although the meetings will legally be separate meetings, we intend to conduct each of the meetings of the companies at the same time and location in order to save costs and allow for an efficient Administration process for all stakeholders, without prejudicing their respective interests.

AGENDA

1. To consider a statement by the director about the Companies' businesses, properties, affairs and financial circumstances.
2. To consider the circumstances leading to the appointment of the Administrators to the Companies and the various options available to creditors.
3. To consider the report of the Administrators.
4. To fix the remuneration of the Administrators for each of the Companies for the period to the date of the meetings.
5. To resolve that for each of the individual Companies:
 - the meeting be adjourned for up to forty-five (45) business days; or
 - the company execute a Deed of Company Arrangement; or
 - the company be wound up; or
 - the Administration should end.
6. If it is resolved that a company is to execute a Deed of Company Arrangement, to fix the future remuneration of the Administrators and future remuneration of the Deed Administrators for that company.
7. If it is resolved that a company be wound up, to fix the remuneration of the Liquidators for that company.

8. If a company is wound up, consider whether, pursuant to Section 477(2A) of the Corporations Act 2001 (**the Act**), creditors authorise the Liquidators to compromise a debt owed to that company of any amount.
9. If a company is wound up, consider whether, pursuant to Section 477(2B) of the Act, creditors authorise the Liquidators to enter into contracts with duration of longer than three (3) months for that company.
10. If a company is wound up, consider whether, subject to obtaining the approval of the Australian Securities & Investments Commission (**ASIC**) pursuant to Section 542(4) of the Act, the books and records of that company and of the Liquidators may be disposed of by the Liquidators 12 months after the dissolution of that company or earlier at the discretion of ASIC.
11. If a company is wound up or is to execute a DOCA, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee for that company.
12. Any other business that may be lawfully brought forward.

For a person to be eligible to attend and vote at the meetings on your behalf, a Form 532, Appointment of Proxy, is to be completed and submitted by no later than 4:00 PM on Monday, 6 October 2014 to:

Attention: Mr Nirav Shah
C/- Ferrier Hodgson
GPO Box 2537, PERTH WA 6001
Tel: (08) 9214 1444
Fax: (08) 9214 1400
Email: Nirav.Shah@fh.com.au

Note: In accordance with Regulation 5.6.36A of the Corporations Regulations 2001, if a proxy is submitted by facsimile, the original document must be lodged within 72 hours after lodging the faxed copy.

A company may only be represented by proxy or by an attorney appointed pursuant to Corporations Regulations 5.6.28 and 5.6.31 respectively or, by a representative appointed under Section 250D of the Act.

In accordance with Subregulation 5.6.23(1) of the Corporations Regulations, creditors will not be entitled to vote at the meeting unless they have previously lodged particulars of their claim against the Company in accordance with the Corporations Regulations and that claim has been admitted, for voting purposes, wholly or in part.

DATED this 26th day of September 2014.



Martin Jones
Joint and Several Administrator of
Killarnee Civil & Concrete Contractors Pty Ltd
Killarnee Contracting Pty Ltd
Killarnee Equipment Holdings Pty Ltd

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

Killarnee Civil & Concrete Contractors Pty Ltd (Administrators Appointed)
ACN 085 230 486 ("KCCC")

Killarnee Contracting Pty Ltd (Administrators Appointed)
ACN 109 535 686 ("KCPL")

Killarnee Equipment Holdings Pty Ltd (Administrators Appointed)
ACN 125 969 502 ("KEH")

(Collectively referred to as "the Companies")

Please indicate the company for which your Informal Proof of Debt is provided (**please tick**)

If you are a creditor of more than one company, please provide a separate Informal Proof of Debt for each Company you wish to lodge a claim against.

Company	ACN	Company for which claim is provided
Killarnee Civil & Concrete Contractors Pty Ltd	085 230 486	
Killarnee Contracting Pty Ltd	109 535 686	
Killarnee Equipment Holdings Pty Ltd	125 969 502	

Name of creditor: _____

Address: _____

Amount of debt claimed: (see note) \$ _____

Consideration for debt (nature of goods and services supplied and the period during which they were supplied): _____

Whether debt secured or unsecured: Secured / Unsecured

If secured, give details of security including dates, etc:

Balance, if any, after deducting value of security (see note): \$ _____

.....
Signature of creditor (or person authorised by creditor)

NOTE:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- his/her claim has been admitted, wholly or in part, by the Administrator; or
- he/she has lodged with the Administrator particulars of the debt or claim, or if required, a formal proof of debt.

For the purposes of Part 5.3A, a secured creditor may vote (Regulation 5.6.24):

- for the whole of his/her debt without regard to the estimated value of his security.

Proxies must be made available to the Administrator

**Form 532
Appointment of Proxy**

*Corporations Act 2001
Regulation 5.6.29*

**Killarnee Civil & Concrete Contractors Pty Ltd (Administrators Appointed)
ACN 085 230 486 (the Company)**

Instructions:

Please complete Sections A, B, C and D and submit in accordance with the Section E.

* Strike out if inapplicable.

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

of

(address)

Tel:

Fax:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

*I / *We, as named in Section A above, a *creditor / *contributory / *debenture holder /
*member of the Company, appoint

(name of person appointed as proxy)

or in his / her absence

(address of person appointed as proxy)

(name of person appointed as alternate proxy)

as *my / *our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on Tuesday, 7 October 2014 at 11:00 AM at the Holiday Inn Hotel, 778-788 Hay Street, PERTH WA 6000, or at any adjournment of that meeting in accordance with the instructions in Section C below.

C. Voting Instructions

Note: A **general proxy** is entitled to vote on any resolution, subject to Regulation 5.6.33 of the Corporations Regulations 2001, as they see fit at the meeting – tick the “**general proxy**” box.

A **special proxy** is entitled to vote **only** in accordance with your specific instructions – tick the “**special proxy**” box and indicate your specific voting instructions by ticking **one option only for each** resolution for which you wish to give such instructions.

Your proxy may act as both a **special proxy**, in accordance with your instructions in relation to specific resolutions, and as a **general proxy**, in relation to resolutions where you have not issued specific instructions – tick **both** the “**general proxy**” and “**special proxy**” boxes. Your proxy will then be authorised to vote specifically in accordance with your instructions in relation to those resolutions where specific instructions have been given, and generally in relation to resolutions where no specific instructions have been given, and other business of the meeting.

*My / *Our proxy, as named in Section B above, is entitled to act as *my / *our :

☐ **general proxy**, to vote on *my / *our behalf generally, as *he / *she determines, subject to any specific instructions below, if applicable.

and / or

☐ **special proxy**, to vote on *my / *our behalf specifically, in accordance with the following special instructions: (for each resolution for which you wish to give specific voting instructions, please tick one option only)

Resolution	For	Against	Abstain
1. That the meeting be adjourned for a period not exceeding forty-five (45) business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. That the Company execute a Deed of Company Arrangement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. That the Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. That the remuneration of the Administrators, as set out in the Remuneration Request Approval Report dated 26 September 2014, for the period from 1 September 2014 to 21 September 2014 be fixed in the amount of \$259,401 (plus GST), and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. That the remuneration of the Administrators, as set out in the Remuneration Request Approval Report dated 26 September 2014, for the period from 22 September 2014 to 7 October 2014 be fixed at the Ferrier Hodgson scale of rates up to a maximum amount of \$200,000 (plus GST) but subject to upward revision by resolution of creditors, or the Committee of Creditors and that the Administrators be authorised to make monthly payments on account of such remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. That the remuneration of the Deed Administrators, as set out in the Remuneration Request Approval Report dated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

26 September 2014, for the period from 8 October 2014 to the execution of the Deed of Company Arrangement be fixed at the Ferrier Hodgson scale of rates up to a maximum amount of \$170,000 (plus GST) but subject to upward revision by resolution of creditors, or the Committee of Creditors and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.

8. That the remuneration of the Deed Administrators, as set out in the Remuneration Request Approval Report dated 26 September 2014, for the period from the execution of the Deed of Company Arrangement be fixed at the Ferrier Hodgson scale of rates up to a maximum amount of \$230,000 (plus GST) but subject to upward revision by resolution of creditors, or the Committee of Inspection ☐ ☐ ☐ should one be appointed, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred and to increase the applicable hourly rates for each staff "title" by up to 5% per annum reviewable at 1 July each year.
-

9. That the remuneration of the Liquidators, as set out in the Remuneration Request Approval Report dated 26 September 2014, for the period from 8 October 2014 to the conclusion of Liquidation be fixed at the Ferrier Hodgson scale of rates up to a maximum amount of \$500,000 (plus GST) but subject to upward revision by resolution of creditors, or the Committee of Inspection ☐ ☐ ☐ should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred and to increase the applicable hourly rates for each staff "title" by up to 5% per annum reviewable at 1 July each year.
-

D. Signature

Dated: _____

Signature: _____

Name / Capacity #: _____

If an individual, insert full name

If a sole trader, insert in accordance with the following example: "full name, proprietor"

If a partnership, insert in accordance with the following example: "full name, partner of the firm named in Section A above"

If a company, pursuant to Regulations 5.6.28 and 5.6.31A of the Corporations Regulations 2001, it may only be represented by proxy or attorney respectively, or by a representative appointed under Section 250D of the Corporations Act 2001. The document appointing the proxy, attorney or representative must be in executed in accordance with Section 127 of the Corporations Act 2001, in which instance, insert in accordance with the following example: "full name, director / secretary / director/secretary of the company named in Section A above" or under the hand of some officer duly authorised in that capacity, and the fact that the officer is so authorised must be stated in accordance with the following example: "full name, for the company named in Section A above (duly authorised under the seal of the company)" – a copy of authority / power of attorney is to be annexed.

Certificate of Witness (to be completed only in special circumstances – see below)

*This certificate is only to be completed **only if the person giving the proxy is blind or incapable of writing**. The certificate of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.*

I

(name of witness)

of

(address of witness)

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him/her before he/she signed or marked the instrument.

Dated: _____

Signature: _____

E. Submitting the Proxy

For a person to be eligible to attend and vote at the meeting on your behalf, this form is to be completed and submitted by no later than 4:00 PM on Monday, 6 October 2014, to:

Killarnee Civil & Concrete Contractors Pty Ltd (Administrators Appointed)

c/- Ferrier Hodgson

GPO Box 2537

PERTH WA 6001

Tel: 08 9214 1444

Fax: 08 9214 1400

Email: Nirav.Shah@fh.com.au

Note: In accordance with Regulation 5.6.36A of the Corporations Regulations 2001, if a proxy is submitted by facsimile, the original document must be lodged within 72 hours after lodging the faxed copy.



**Killarnee Civil & Construction Contractors Pty Ltd
(Administrators Appointed)
ACN 085 230 486**

**Report by Administrators
Pursuant to section 439A of the Corporations Act**

26 September 2014

Section	Page
1	Executive summary 1
2	Introduction..... 5
3	Company information 8
4	Historical financial position 10
5	Statement by directors 14
6	Trading by Administrators 23
7	Sale of business / assets..... 26
8	Proposal for DOCA..... 27
9	Statutory investigations 31
10	Administrators opinion, dividend estimates and cost estimates..... 49
11	Further information and enquiries 51
	Glossary of terms 52

Annexure

A	Administrators' Remuneration Approval Request Report
B	Schedule of PPSA Registered Securities -Extract of Personal Property Securities Register (PPSR)
C	ARITA creditor information sheet

1 Executive summary

1.1 Appointment

We, Darren Weaver, Ben Johnson and Martin Jones were appointed as joint and several Administrators of the Company on 1 September 2014 by the Directors pursuant to s439A of the Act.

1.2 Conduct of administration

On appointment, the Administrators assumed control of the Company's operations and notified employees, creditors and other stakeholders of their appointment. The Administrators then conducted an urgent financial and commercial review of the Company with the assistance of key personnel and communications with key stakeholders including customers – contract principals and suppliers.

1.3 Purpose of report

The purpose of this Report is to table the findings of our investigations of the Company's business, property, affairs and financial circumstances, as well as our opinion on the three options available to creditors in deciding the future of the Company at the Second Meeting.

1.4 Administrators' recommendation

During the course of the administration, we have received a DOCA proposal from the company's Director/Shareholder, Ernest Paul Thompson which effectively is an "asset preservation" or "holding" DOCA and provides for:

- the Deed Administrators to remain in control of the companies through until 7 February 2015 (or sooner with the benefit of more certain asset and liability positions);
- the orderly realisation of assets under the BSA, payment of the secured creditor, Westpac ("the Bank") and employees; and
- the BSA remains subject to negotiation between the Administrators and the Buyer

with a view to a DOCA variation to provide ordinary unsecured creditors with a better return that would be available in a winding up.

In accordance with the requirement of section 439A of the Act, the Administrators do not recommend an immediate winding up of the Company, the acceptance of the DOCA proposal or that the administration end and control of the Company be returned to the Director.

At the date of this report and for the reasons as set out in the report in Section 11, we consider it would be in creditors' best interests to **resolve to adjourn the Second Meeting for a period not exceeding forty-five (45) business days** as it would enable the Administrators to:

- complete the terms of the BSA and conduct a more detailed analysis of the estimated non-circulating assets available (if any) to the Company;

- ascertain the ultimate amount recoverable from assets subject to circulating charge, i.e. debtors' invoices and retention amounts including ascertain the extent of priority claims by employees. Deferring the commencement of the winding up may result in the claims of employees being attended to by FEG at a later time. On this basis, employees' interests may be better served by an immediate liquidation of the Company. Our opinion is that deferring the decision provides a real opportunity for the Administrators to work with the Director to effect timely debtor collections and ultimately a more expeditious distribution than will be available from FEG;
- make further enquiries as to Directors' ability to repay any claims brought against him; and
- report back to creditors with sufficient information to accurately determine whether entering into a DOCA provides a better return to creditors as compared to an immediate winding-up of the Company.

In the event that creditors adopt the adjournment, the Administrators will continue their interrogation of the Company's records with a view to determining the utility of the Director's DOCA proposal and, compile a supplementary report to creditors. In order that we may better inform creditors (and provide more certainly as to the assets values and potential recoveries which would lead to quantification as to the likely returns from the alternatives available). The reconvened second meeting of creditors would then be held on or before 9 December 2014.

1.5 Second Meeting

Details of the Second Meeting are as follows:

Date: Tuesday, 7 October 2014
Registration: 10.30am
Meeting time: 11.00am
Location: Holiday Inn Hotel
 778 – 788 Hay Street
 PERTH WA 6000

Creditors who wish to participate in the Second Meeting must complete and submit the following forms to this office by 4:00pm on Monday, 6 October 2014.

Form	Comments
Form 532 – Appointment of Proxy	Corporate creditors must appoint an individual to act on its behalf.
	Individuals voting in person are not required to complete this form but must complete this form if a representative is appointed to vote on their behalf.
	Proxy forms submitted for the First Meeting are not valid for the Second Meeting. A new proxy form must be submitted.

Form	Comments
Informal Proof of Debt Form	Creditors must submit documentation to support the amount they have claimed (i.e. unpaid invoices, payslips). Creditors who have already submitted an informal proof of debt are not required to resubmit a proof of debt form unless the amount claimed has changed.

1.6 Summary of investigations

We have carried out preliminary investigations into the Company's affairs to assist in formulating our opinion as to what is in the creditors' best interests. During the course of the Administration, we have made preliminary enquiries into the Company's affairs and the various transactions the Company has entered into, however any future appointed liquidator would be required to conduct a more comprehensive investigation and consider action in respect of recoveries (if any). From our preliminary investigations, we have concluded that:

- the Company may have been insolvent from as early as 30 June 2013 onwards;
- management identified a cash constriction period between June to September 2014;
- potential liquidator recoveries relate to preference claims for up to \$5.85M.

The investigations undertaken to date in the Administration are detailed at Section 9 of this report.

1.7 Return to creditors

DOCA

We are unable to provide an estimate of the likely return to creditors at this time, because the DOCA is effectively a holding DOCA which provides time for a restructuring of the Company's affairs. We do not recommend acceptance of the DOCA proposal for the reasons set out in Section 10.2 of this Report.

Liquidation

Based upon the information in this report, detailed in particular through Section 6 of the same, where the Company is wound up, we are unable to determine with certainty whether any dividend would be payable to creditors.

If the Company is placed into liquidation at the Second Meeting, priority creditors (employees) may be able to recover their outstanding entitlements (excluding unpaid superannuation) through FEG.

For completeness, we note that there is a possibility that employees may benefit from a faster return from a FEG scheme distribution (in relation to non-superannuation entitlements) in the event that the Company is placed immediately into liquidation. However, we also note that a distribution under the FEG scheme is likely to take the full estimated timeframe of sixteen

weeks (four months) to advance funds to a liquidator, and we therefore would not expect to be able to distribute a return to employees prior to late January 2015 at the earliest. Please refer to Section 10 for further information.

We do not recommend an immediate winding up of the Company for the reasons set out in Section 10.3 of this Report. That said, we acknowledge that deferring the commencement of the winding up (from October 2014 until December 2014) may result in the claims of employees being attended to by FEG in April 2014 instead of February 2014. On this basis, employees' interests may be better served by an immediate liquidation of the Company. We think the better view however is that deferring the decision provides a real opportunity for the Administrators to work with the Director to effect timely debtor collections and ultimately a more expeditious distribution than will be available from FEG.

1.8 Statement by Administrators

In reviewing this Report, creditors should note:

- This Report is based upon our preliminary investigations to date. Any additional material issues that are identified subsequent to the issue of this Report may be the subject of a further written report and/or tabled at the Second Meeting.
- The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. We reserve the right to alter any conclusions reached based on any changed or additional information which may be provided to us between the date of this Report and the date of the Second Meeting (except where otherwise stated).
- In considering the options available to creditors and formulating our opinion and recommendation, we have necessarily made forecasts of asset realisations and total creditors' claims based on our best assessment in the circumstances. These forecasts and estimates may change as asset realisations progress and we receive creditor claims and consequently the outcome for creditors might differ from the information provided in this Report.
- Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

2 Introduction

2.1 Purpose of appointment and this report

Martin Jones, Darren Weaver and Ben Johnson were appointed as Joint and Several Administrators of KCCC on 1 September 2014 pursuant to s436A of the Act. Immediately following our appointment, we took control of KCCC's assets and continued to carry on the business.

The purpose underlying an administrator's appointment is to allow for independent control and investigation of an insolvent company's affairs. During the administration period, creditors' claims are put on hold.

We are required to provide creditors with information and recommendations in relation to the three options available to creditors in deciding upon the Company's future. The three options available are:

- The Company be placed into liquidation;
- The Company execute a DOCA;
- The Administration to end and control of the Company reverts back to its directors.

In the available time, we have undertaken the investigations detailed in Section 9 of this report. These investigations have enabled us to form an opinion about the Company's future. Our opinion is set out in Section 11 of this report.

2.2 Basis of report

This report has been prepared primarily from information obtained from the Company's books and records. Although the Administrators have conducted certain investigations of the affairs of the Company, there may be matters which we are unaware of as an audit of the Company has not been undertaken.

In order to complete our report we have utilised information from:

- The ASIC and PPSR;
- The Company's book and records;
- Discussions with the Director of the Company and the Company's business advisors;
- Discussions with key employees of the Company;
- Discussions with the secured creditors of the Company;
- Discussions with unsecured creditors of the Company; and
- Other publicly available databases.

2.3 Declaration of independence, relevant relationships and indemnities

We have undertaken a proper assessment of the risks to our independence prior to accepting our appointment as Joint and Several Voluntary Administrators of the Company. This assessment identified no real or potential risks to our independence. We were not aware of any reasons that would prevent us from accepting the appointment.

We have also provided a Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) to creditors with our first circular to creditors dated 2 September 2014 and also tabled the declaration at the first meeting of creditors on 10 September 2014. There has been no change in the declaration since that time.

2.4 First meeting of creditors and committee of creditors

Creditors attended a first meeting of creditors held at the Holiday Inn Hotel, 778 – 788 Hay Street, Perth, Western Australia on 10 September 2014. At that meeting, creditors ratified our appointment as Administrators of the Company. Creditors present at the meeting resolved not to appoint a Committee of Creditors.

2.5 Second meeting of creditors

Pursuant to Section 439A of the Act, the Second Meeting has been convened for **Tuesday, 7 October 2014** and will be held **at Holiday Inn Hotel, 778 Hay Street, Perth, Western Australia, at 11.00am (AWST)**.

At the Second meeting, creditors will decide the Company's future in voting on one of the following options:

- That the administration should end and control of the Company revert to its directors; or,
- That the Company should be wound up; or,
- That the Company execute a DOCA.

Creditors also have the opportunity to adjourn the Second Meeting up to a period of 45 business days to enable further investigations to be undertaken.

2.6 Remuneration

At the Second Meeting, we will be seeking approval for our remuneration for the Company as follows:

Period	Amount \$ (excluding GST)
Voluntary Administration 1 September 2014 to 21 September 2014	258,248
Voluntary Administration 22 September 2014 to 7 October 2014	200,000
Total for Voluntary Administration period	458,288
If the company is placed into Liquidation: 7 October 2014 to the conclusion of the Liquidation	500,000
If the Company executes a DOCA: 7 October 2014 to the execution of the DOCA	170,000
Execution of the DOCA to the conclusion of the DOCA	230,000

Please refer to our Remuneration Approval Request Report at **Annexure A** for details of the key tasks undertaken throughout the course of the administration along with a summary of the receipts and payments to date.

2.7 Non-disclosure of certain information

There are sections of the Report wherein we considered it inappropriate to disclose certain information to creditors. Such information includes:

- Valuations of specific assets
- Valuation of the business
- Commercially sensitive prospective financial information (for example, projections/forecasts) and specific client contract details

We fully recognise the need to provide creditors with complete disclosure of all necessary information relating to the Company. However, we believe this information is commercially sensitive and it is not in creditors' interests of maximising a return for us to disclose the information publicly at this stage.

Where necessary in this report, we provide a combined figure for potential realisations of assets when comparing estimated returns under the relevant options.

3 Company information

3.1 Statutory information

3.1.1 Incorporation date and registered office

The Company was incorporated on 18 November 1998. The Company's registered office is listed as Level 1, 420 Bagot Road, Subiaco, Western Australia 6008, however it operates out of leased premises at 88 Roberts Street, Osborne Park, Western Australia 6017.

3.1.2 Company officers

The Company's officers over the past 12 months were:

Name	Role	Appointment Date	Cessation Date
Thompson, Ernest Paul	Director	18/11/1998	Current
Thompson, Ernest Paul	Secretary	18/11/1998	Current

A search of the National Personal Insolvency Index maintained by the Australian Financial Security Authority shows that the Company's director is not bankrupt or subject to a Personal Solvency Agreement under Part X of the Bankruptcy Act 1966.

The ASIC database also reveals that the Company's director, Ernest Paul Thompson hold positions in the following companies:

Company	Role	Appointed	Ceased
Killarnee Contracting Pty Ltd (Administrators Appointed)	Director	15/06/2004	Current
	Secretary	15/06/2004	Current
Killarnee Equipment Holdings Pty Ltd (Administrators Appointed)	Director	15/06/2007	Current
	Secretary	15/06/2007	Current
Killarnee International Pty Ltd	Director	3/10/2006	Current
	Secretary	20/03/2007	Current
Killarnee Group Pty Ltd	Director	14/07/2009	Current
	Secretary	14/07/2009	Current
Thompson Racing (WA) Pty Ltd	Director	5/05/2011	Current
	Secretary	5/05/2011	Current
Shamrock Property Holdings Pty Ltd	Director	18/04/2012	Current
	Secretary	18/04/2012	Current
Killarnee Pty Ltd	Director	26/06/2013	Current
	Secretary	26/06/2013	Current
Killarnee Corporation Pty Ltd	Director	29/07/2009	12/04/2013
	Secretary	29/07/2009	12/04/2013

3.1.3 Shareholders

The ASIC database discloses the Company's shareholders to be:

Shareholders	Type of Shares Held	Number of Shares	Share Value
Thompson, Ernest Paul	Ordinary	1	\$1.00
Thompson, Elma Margaret	Ordinary	1	\$1.00

Our search of the ASIC's database did not show any lodgements in respect of share issues or transfers within the last 18 months.

3.1.4 Registered security interests

Under new PPSA legislation that took effect on 30 January 2012, security over property, except land, must be registered as a security interest on the PPSR.

Briefly, the concept of fixed and floating charges was replaced under the PPSA by "security interest over non-circulating assets" and "security interests over circulating assets" respectively. In the case of inventory, title to any inventory will require registration as a PMSI on the PPSR, similar to an ROT.

Unless a supplier (including an ROT supplier) registers a PMSI as a security interest on the PPSR, the goods under the ROT clause may become property of the company in liquidation and amount to a windfall to the Company and its creditors.

The PPSR discloses that 92 parties hold registered security interest on the PPSR. We understand that the majority of the security interests relate to either financed equipment or the supply of goods. Details of the security charge holders are set out in **Annexure B**.

3.1.5 Winding up applications

Public searches indicate that there was no winding up orders (or action) against the Company at the date of our appointment. The Director has also confirmed that there are no statutory demands made by any creditors to the Company.

3.2 Company history

The Company was incorporated on 18 November 1998 in Western Australia, as Shamrock Holdings (WA) Pty Ltd, and operated under the trading name Killarnee Formwork. On 10 March 2010, the Company changed its name to Killarnee Civil & Concrete Contractors Pty Ltd.

It's current and former principal place of business are summarised overleaf:

Address	Start Date	End Date
2 Passerine Close, EDGEWATER WA	18/11/1998	21/06/2000
8 Goollelal Drive, KINGSLEY WA	22/06/2000	22/11/2004
46 Paramount Drive, WANGARA WA	23/11/2004	20/01/2008
Unit 1, 9 Vale Street, MALAGA WA	21/01/2008	23/11/2009
136 Beringarra Avenue, MALAGA WA	24/11/2009	23/06/2014
88 Roberts Street, OSBORNE PARK WA	24/06/2014	Current

The Company also had operations in Barrow Island (Gorgon LNG Tanks), Karratha and Geraldton.

Through the years, the Company has grown from doing small concrete framework to providing multi-year concrete and civil construction contracting projects specialising in remote area civil and concrete works within the Australian resource, energy and infrastructure sector.

3.3 Decision to appoint Administrators

The Company was recently faced with significant cash flow problems as a result of a slowdown in construction activity in the resource, energy and infrastructure sector combined with some non-recoverable costs on major contracts. The Company had previously engaged the services of Andrew Birch of Vantage Performance (WA) Pty Ltd, as business advisors/consultants to advise them on the various alternatives available to them.

We understand that the Director was also issued with a Director Penalty Notice ("DPN") under section under section 222AOE of the Income Tax Assessment Act for outstanding PAYG withholding amount payable to the ATO, which required him to take appropriate steps within the 21 days to avoid being personally liable for any amount stated in the DPN.

On 1 September 2014, we met with the Director and Mr Birch at the Company's office in Osborne Park for the purpose of assessing the Company's financial position, sale and restructure alternatives and the consequences of any insolvency appointment. There was no outcome reached at this initial meeting, however as a result of the potential personal liability to the ATO and the tough trading conditions which the Company found itself in, the Director resolved to appoint Martin Jones, Darren Weaver and Ben Johnson as Joint and Several Voluntary Administrators on Monday, 1 September 2014 at approximately 11.30pm.

As advised previously, prior to our appointment, the director of the Companies had negotiated a BSA with Central Systems, an independent third party purchaser. As part of our appointment we have assessed the terms of the BSA, engaged and negotiated with Central Systems to firm up the terms and conditions of the sale (including the timing of the settlement). Further details on the sale process is available at Section 7 of this report,

4 Historical financial position

4.1 Preparation of financial statements

The Company's financial statements were prepared up to 30 June 2014 by the Company's external accountants, Matrix Partners Pty Ltd. The Company is not a reporting entity as per the Australian Accounting Standards and thus has not lodged annual financial returns with ASIC or had its financial statements audited.

The Company also prepared monthly management reports (also unaudited) which we have utilised in the completion of this report.

At Section 9 of this report, we comment on the adequacy of the Company's books and records

4.2 Profit and loss statement and preliminary analysis

Set out below is a high-level summary of the Company's profit and loss statement for the past three (3) financial years and for the two (2) months period to the date of our appointment, together with our preliminary analysis:

Profit and Loss	2 Month to 31 August 2014	Year Ended 30 June 2014	Year Ended 30 June 2013	Year Ended 30 June 2012
Income				
Construction Income	6,252,721	57,236,580	81,704,742	45,361,379
Less: Direct Construction Costs	6,901,882	55,395,059	73,699,378	38,220,753
Gross Profit/(Losses)	(649,161)	1,841,521	8,005,364	7,140,626
Gross Profit/ (Losses) %	(10.38%)	3.22%	9.80%	15.74%
Other Income	18,933	4,742,789	112,289	194,429
Total Income	(630,228)	6,584,310	8,117,653	7,335,055
Expenses				
Administration expenses	226,445	736,437	1,379,269	1,053,436
Employee Benefits Expense	112,449	2,787,204	2,961,980	3,437,765
Finance expenses	43,298	796,914	901,734	608,236
Professional fees	140,290	562,844	31,268	198,362
Rent	57,559	947,876	1,074,637	894,254
Other Expenses	60,253	735,580	1,020,041	917,440
Total Expenses	580,041	6,566,513	6,348,888	6,192,053
Profit / (Losses)	(1,210,269)	17,797	1,768,765	1,143,002

In respect of the above, we make the following comments:

- A substantial reduction in profit from year end 2012 to 2014. Management have advised some of this is attributable to the accounting treatment of the advance funds on each CB&I invoice. It is estimated that if the accounting treatment had been accurate during 2013, profit would have been reduced by circa \$1M.

- Decreasing Gross Profit Margins as a result of increased direct construction costs from year 2012 onwards.
- The Company received approximately \$4.4 million through an accounting distribution from the Killarnee Holding Trust in 2014 (but with no cash effect), without which losses may have been incurred. We believe this is an end of financial year adjustment carried out for taxation purposes, although there were many complex intercompany loans transactions recorded in consultation with the Company accountants. We contacted the accountants in order to investigate this transaction; however information was not forthcoming as a result of a significant unpaid account owing to that firm.

For completeness, we note that the accounts for the period to 1 July 2014 and 31 August 2014 are based upon draft (and unaudited) management accounts. Accordingly, we express no comment in relation to the accuracy thereof.

4.3 Balance sheet and preliminary analysis

Set out below is a high-level summary of the Company's balance sheet for the past three (3) financial years and for the two (2) months period to the date of our appointment, together with our preliminary analysis.

Balance Sheet	2 Month to 31 August 2014	Year end 30 June 2014	Year End 30 June 2013	Year End 30 June 2012
Current Assets				
Cash	40	213	744	319
Retention Monies	3,677,086	3,386,992	1,806,102	874,281
Trade Debtors	4,976,631	6,763,559	13,455,850	8,688,258
Associated Loan Accounts - Killarnee Group Pty Ltd	2,120,044	1,833,922	10,995,401	6,318,059
Funds Held in Trust - Killarnee Holdings Trust	4,445,924	4,445,924	0	0
GST	151,925	576,928	832,320	639,962
Work In Progress	1,620,570	1,620,570	0	0
Other	877,410	980,014	1,361,426	1,444,931
Total Current Assets	17,869,630	19,608,122	28,451,843	17,965,810
Non-Current Assets				
Land & Buildings	133,444	133,708	135,309	136,923
Plant & Equipment	165,476	171,632	238,728	320,299
Motor Vehicles	30,362	31,236	57,727	70,497
Property Improvements	377,285	380,047	397,381	230,217
Total Non-Current Assets	706,567	716,623	829,145	757,936
Total Assets	18,576,197	20,324,745	29,280,988	18,723,746
Current Liabilities				
Trade Creditors	2,553,051	4,725,782	4,499,465	1,856,034
Beneficiary Entitlements	1,920,136	1,920,137	10,229,717	10,466,014
Loan - Insurance Premium Funding	0	0	827,770	1,185,237
Westpac Overdraft	1,724,217	1,663,485	3,540,998	(348,936)

Balance Sheet	2 Month to 31 August 2014	Year end 30 June 2014	Year End 30 June 2013	Year End 30 June 2012
GST	793,407	1,586,863	2,411,368	1,414,022
Provision for Employee Entitlements	3,112,254	2,615,339	2,403,269	1,537,981
Income in Advance	1,977,460	1,977,460	0	0
Integrated Client Account (ATO)	4,632,456	3,384,022	2,259,707	857,029
Other Expenses	2,630,126	2,451,647	3,108,684	1,756,355
Total Current Liabilities	19,343,107	20,324,735	29,280,978	18,723,736
Total Liabilities	19,343,107	20,324,735	29,280,978	18,723,736
Net Assets	(766,910)	10	10	10

In respect of the above, we make the following comments:

- Net assets are assessed at \$10 each year, as surplus assets are distributed to the members of the Thompson Family Trust and the Killarnee Group Pty Ltd through the Beneficiary Entitlements account. Net assets for the 2 months to 31 August are not equal to \$10 as these statements were company monthly accounts and are unaudited and incomplete.
- Non-Current Assets are shown at cost less accumulated depreciation.
- The ATO integrated client account relates to monies owed to the ATO including interest.

Again for completeness, we note that the accounts for the period to 1 July 2014 and 31 August 2014 are based upon draft (and unaudited) management accounts. Accordingly, we express no comment in relation to the accuracy thereof.

We refer creditors to our comment at the end of Section 4.2 of the Report above in respect to the \$4.4M accounting distribution. It would appear that the asset recorded in the Balance Sheet as "Funds Held in Trust – Killarnee Holdings Trust \$4,444,294" represents the other side of this transaction. We have requested better particulars from management who have advised that only the external accountants have the background to the transaction. As mentioned above, the external accountants have not been forthcoming with information – an issue for further investigation by a future appointed liquidator and one we will endeavour to bottom out before the second meeting of creditors.

5 Statement by directors

Section 438B of the Act requires the directors to give an Administrator a statement about the Company's business, property, affairs and financial circumstances. We received the Director's Statement on 18 September 2014, following two (2) requests for extension of time, which were granted.

The Director's Statement detailed the Company's assets and liabilities at book value and ERV. The following table summarises the assets and liabilities described in the Director's Statement.

Description	Report Reference	Cost or Net Book Value \$	Directors' ERV \$	Administrators' ERV High Return \$	Low Return \$
Assets:					
Interest in land	5.1.1	133,444	1,200,000	1,300,000	1,100,000
Debtors	5.1.2	15,219,685	8,653,717	6,000,000	4,000,000
Cash on hand	5.1.3	40	40	Nil	Nil
Cash at bank	5.1.3	(1,724,218)	(1,724,218)	Nil	Nil
Stock / Work in progress	5.1.4	1,620,570	1,620,570	1,620,570	1,620,570
Plant & equipment	5.1.5	573,123	573,123	Commercially sensitive	Commercially sensitive
Other assets	5.1.6	877,412	3,615	3,615	3,615
Sub-total		16,700,057	10,326,848	8,924,185	6,724,185
Assets subject to specific charges	5.1.7	N/A	N/A	N/A	N/A
Less: amounts owing under specific charges		N/A	N/A	Nil	Nil
Total available assets		16,700,057	10,326,848	8,924,185	6,724,185
Liabilities					
Less: Priority Creditors					
- Employee entitlements	5.1.8	(3,913,992)	(3,913,992)	(3,913,992)	(3,913,992)
- Secured creditors	5.1.9	(6,168,874)	(6,168,874)	(4,630,235)	(6,168,874)
Total priority creditors		(10,082,866)	(10,082,866)	(8,544,227)	(10,082,866)
Contingent assets	5.1.6	N/A	N/A	Unascertained	Unascertained
Contingent liabilities	5.1.11	N/A	N/A	(1,548,118)	(4,498,572)
Available to unsecured creditors		6,617,190	243,981	Unascertained	Unascertained
Less: Ordinary Unsecured creditors	5.1.10	(13,552,975)	(11,632,838)	(13,318,209)	(13,318,209)
Estimated Surplus/(Deficiency) subject to cost		(6,935,784)	(11,388,857)	Unascertained	Unascertained

The Administrators' have not audited the Company's records or the book values. The above schedule should not be used to determine the likely return to creditors as a number of realisable values are based on the Company's records and remain subject to the review of the Administrators and, in particular:

- The Administrators are not in a position to confirm (or otherwise) certain asset values as valuations commissioned by the Administrators are commercially sensitive and are not disclosed in this report.
- The value of creditor claims remains subject to change as further claims may be received and require adjudication.
- The table above does not provide for possible trading losses, possible expenditures incurred by the Administrators in preserving and maintaining the assets of the Company or professional costs associated with the administration process.

We comment on the Director's statement as follows:

5.1.1 Interest in land

A property search conducted with Landgate has revealed that the Company is the registered proprietor of a property at Lot 1031 Mardie Road, Karratha Industrial Estate, WA 6714 (the Mardie Road Property).

The Company has leased the Mardie Road Property to Mr Gary John Adams trading as Galukama Transport (the Tenant) for a 3-year term commencing on 16 September 2013 at the rate of \$15,200 per month. We have been advised by the Property Manager, First National Real Estate that the Tenant has fallen behind in his rental payment and the arrears as at the time of writing this report were in the region of \$34,000.

The Property is mortgaged to Westpac as security to cover obligations owing to the Bank including the \$1.75M overdraft granted to the Company and guarantee for a \$1.0M business loan granted to the Director as trustee for the Killarnee Investment Trust.

We engaged local agents to provide an independent appraisal of the Mardie Road Property. The appraisal indicates that the property has a realisable value of \$1.1M to \$1.3M (before selling costs). In addition, we have received sales agents' appraisals and we are conferring with the Bank and anticipate putting it to market in the next week or so.

5.1.2 Debtors

Accounts Receivables

Based on the Company's draft management accounts as at 31 August 2014, the book value of amounts owing to the Company by debtors totalled approximately \$15,219,685, which comprised accounts receivables of \$8,653,717 (includes retention) and related party loans of \$6,565,968.34 respectively.

An aged debtor analysis appears below:

Debtors	Current \$	30 Days \$	60 Days \$	90 Days \$	> 90 Days \$	Total \$
Receivables (excl retention)	2,218,284	2,198,552	504,078	14,025	41,692	4,976,631
Retention	3,677,086	N/A	N/A	N/A	N/A	N/A
Total	\$5,895,370	\$2,198,552	\$504,078	\$14,025	\$41,692	\$8,653,717
Percentage of Total (excl retention)	44.57%	44.18%	10.13%	0.28%	0.84%	100.00%

We performed a detailed review of each debtor balance to assess collectability of the receivables and note that:

- A total amount of \$4.634 million relates to the debts owed by lead contractors, CB&I Constructors Pty Ltd and WBHO Civil Pty Ltd for the Gorgon Project Barrow Island and Tan Burrup Projects respectively.
- A further amount of \$55,716 is considered doubtful either because the debtor is also a creditor of the Company or there is a dispute to the work done.
- Pre-appointment debts collected since our appointment totals \$1,639,357.

The Administrators are working to recover all debts owed to the Company. We have met with lead contractors (principals) and are moving towards an assignment of key contracts. We expect that better information will be available on anticipated recoveries when we meet with creditors on 7 October 2014.

Related party debtors

The records of the Company disclose that there are related party debtors of approximately \$6,565,968 broken down as follows:

Description	Book Value \$
Loan – Killarnee Group Pty Ltd	2,120,044
Funds held in trust - Killarnee Holdings Trust	4,445,924
Total	\$6,565,968

The recoverability of the above loans will be dependent on the net asset base of the particular entity / trust. Our preliminary enquiries indicate that the related entities do not own any significant unencumbered assets. A detailed investigation will be undertaken of the related party loan accounts to determine whether there were any unreasonable director related transactions. This is examined in detail in section 9 of this Report.

5.1.3 Cash on hand and Cash at bank

Significantly the Director's statement gives no indication that these amounts are recoverable for the benefit of the Company.

The Company operated an overdraft account with Westpac which at the date of our appointment had a negative balance of \$1,724,218. The approved overdraft limit was \$1,750,000.

Immediately upon our appointment, we issued instructions to Westpac and other banks to freeze all bank accounts held in the Company's name and open a new bank account subject to our control.

5.1.4 Work in Progress

Work in progress represents the contractual works undertaken by the Company prior to our appointment but not yet converted to an invoice. The Administrators expect these values to be realised subject to the costs associated with any rework required.

At the time of our appointment, the Company was working on a number of contracts of which a summary of the Company's major contracts on hand is discussed further in Sections 5.1.3 and 6.2 of this Report.

The Director's Statement reported work in progress totalling \$1,620,570 as at the date of appointment of Administrators, which has since been invoiced.

Should the Company be placed into liquidation, the Company is unlikely to be permitted by the contract principals (and potentially the Liquidators) to continue on the contracts as liquidation is regarded as a "terminal event". The contracts principals may terminate the contracts citing insolvency as an event of default resulting in the reassignment of such work to a replacement contractor. This would mean that the Company could lose claims it is otherwise entitled to in the work in progress and may result in an adverse claim from the contract principals for damages resulting from the non-completion of the project. We remain confident of managing out at least some of this risk over the next week through the BSA.

Should a DOCA be entered into this reduces the risk of having liquidated damages claims lodged against the Company for non-completion of contracts, which could potentially have a material impact on the return to unsecured creditors by greatly increasing the total quantum of unsecured creditor claims.

5.1.5 Plant & Equipment

Plant and equipment represents equipment not subject to hire purchase, property improvements and motor vehicles. The Director's Statement discloses that the net book value of the plant and equipment is \$573,123, as detailed below:

Asset description	Book Value	Director's ERV	Administrators' ERV
	\$	\$	\$
Plant and equipment (not subject to hire purchase)	165,476	165,476	TBA
Property improvements	377,285	377,285	TBA
Motor vehicles	30,362	30,362	TBA
Total	\$573,123	\$573,123	TBA

Immediately upon our appointment, we engaged independent auctioneers and valuers to value the plant and equipment owned by the Company who have attended the following sites where some of them are held:

- Gap Ridge Site (Karratha Depot);
- Gap Ridge Ross' Auctions Yard;
- Geraldton Depot;
- WBHO Tan Burrup Site;
- John O'Dowd Yard (Kewdale); and
- Osborne Park Head Office.

For completeness, we note that some equipment recorded in the Company's assets register could not be located or have not been accounted for in the valuation reports. We will continue to liaise with the Company's officers and valuers to conduct a valuation on this equipment as soon as we are able to confirm the whereabouts of same.

Ultimately, the true measure of value will be determined by the market and the price that interested parties are willing to pay to acquire those assets. The Administrators have determined that it is not in the best interests of creditors to disclose full details of the valuations received while commercial negotiations are on foot regarding the proposed business sale and DOCA (or the sale of such assets through auctioneers or otherwise should creditors vote to wind up the Company).

5.1.6 Other assets / Contingent assets

House bond

Other assets represent a refundable bond of \$3,615 in respect to a house at 156A Burke Crescent, Karratha leased by the Company which has since been vacated. We understand that the refund is currently being processed and expect to receive it in the coming weeks.

Contingent assets - Downers' claim

The Director's Statement does not disclose any contingent assets. However, the Director and his senior staff have briefed us in respect to a claim against Downer EDI Engineering Power Pty Ltd (Downer) as a result of unpaid progress claims and wrongful termination of contract.

The Company was a subcontractor to Downer in relation to works associated with the Newman HV Power Supply Augmentation Project. The Company commenced works on 13 May 2012 and submitted monthly progress claims to Downer for work carried out.

On 13 April 2013, as a result of the lack of certainty surrounding payment, Killarnee arranged for a temporary stand down of the workforce on site. Following which, Downer alleged that the Company terminated the contract by their actions and engaged a third party contractor to complete the works.

The Company and Downer have each filed claim against each other which is summarised below:

KCCC

- Payment by Downer for variations totalling \$3,496,116.09 (which Downer identifies as between \$2,591,567.81 - \$2,996,059.81); and
- As a result of a number of variations, KCCC alleges it is entitled to 147 days of delays at a total cost of \$4,189,500.

Downer

- Liquidated damages of \$800,000;
- Back charges of accommodation and meal expenses of \$374,490;
- Cost of works \$4,450,190.72.

Proceedings are scheduled for mediation in early November 2014.

We have since engaged with the Company's solicitors and sought advice on the merits of the claims and proposed course of action to successfully managing the claim. At the time of writing the report, we are waiting for the solicitors to complete a review of the prime documents before engaging with counsel to provide us with advice as to prospects.

5.1.7 Assets subject to specific charges

We have not identified any assets which are subject to specific charges.

5.1.8 Employee claims

A breakdown of outstanding employee entitlements as at 31 August 2014 is detailed below:

Employee Claims	Amount \$
Unpaid wages	421,868
Unpaid superannuation	898,340
Annual leave	1,200,815
Long service leave	65,761
RDOs	388,010
Sick Leave	326,694
Redundancy/PILN	610,702
Total	\$3,912,190

We note that unpaid wages referred to above have been paid in the first week of the administration.

In a liquidation, employee claims are afforded priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors.

Any unpaid superannuation will attract the SGC as a result of non-payment by the required date pursuant to the Superannuation Guarantee (Administration) Act 1992. The ATO is responsible for proving this debt and any distribution from the Company must be paid to the ATO, who will ultimately remit the funds to the employees' superannuation funds.

The notice (payment in lieu) and redundancy entitlements crystallise upon the termination of the employment of the employees and, in the case of the notice entitlement, the amount of the obligation depends to what extent that notice period is worked out by the relevant employee. The nature and terms of the employee engagement are to be further investigated.

The Act provides that "Excluded Employees", which includes company directors and their spouses, are each restricted to a total maximum priority claim of \$2,000 for unpaid wages and superannuation entitlements and \$1,500 for annual leave entitlements. Amounts owed to "Excluded Employees" that exceed the statutory limit, and all payments owing in respect of redundancy and payment in lieu of notice will rank as an unsecured claim against a company.

Should a sale be achieved, it will result in the transfer of certain employees and their outstanding entitlements to the successful purchaser, which will potentially reduce the Company's liabilities for the employees.

All employee entitlements will be paid out in accordance with the terms of any deed of company arrangement that the Company enters in to, or once funds are available should the Company proceed into liquidation. Should insufficient funds be available to meet priority claims of employees, they may be eligible for financial assistance under the Fair Entitlements Guarantee (FEG) Act 2012 in the event the Company moves immediately into liquidation, although it may take up to sixteen weeks (4 months) for FEG to advance funds upon an application being lodged. We note that FEG covers employment entitlements such as wages,

annual leave, long service leave, payment in lieu of notice and redundancy pay. Further information on FEG including eligibility for assistance can be found at www.employment.gov.au/feg.

5.1.9 Secured creditor

The Company has procured credit facilities from Westpac which are secured by, among other things, a fixed and floating charge granted by the Company in favour of the Bank dated on or around 2 August 2011, bearing registration number 201112260029743 on the Personal Property Securities Register (PPSR). In addition, Westpac also has a total of 9 existing hire purchase facilities to the Company for the acquisition of certain plant and equipment.

A summary of the facilities granted by Westpac is set out below:

Secured Creditor	Facility	Director's Statement \$
Westpac Banking Corporation	Overdraft	1,750,000
	Bank guarantee for CB&I	2,470,067
	Equipment guarantee for KEH	816,790
Total		\$5,036,857

5.1.10 Unsecured creditors

Accounting for informal proofs of debts received to date and the Company's records, we estimate the Company's liability to unsecured creditors to be \$13.31 million, broken down as follows:

Unsecured Creditor Claims	Amount \$
Trade creditors	4,074,940
Australian Taxation Office (ATO)	6,109,610
Payroll Tax	629,143
Related party loans	1,920,137
Estimated shortfall to non-Westpac HP creditors	498,572
Amounts owed to excluded employees over the statutory cap (superannuation + annual leave + LSL)	85,807
Total	\$13,318,209

The Company is also indebted to the following related parties / entities:

Related Entities/Parties	Amount \$
Beneficiaries' entitlements	17,797
KCPL	292,360
KGPL	1,609,980
Total	\$1,920,137

We have requested management provide us with the relevant supporting documentation for us to verify the above related party transactions but note that the information received to date is incomplete / insufficient. We will continue to follow up in this regard.

Our preliminary view is that the Company owes the amounts claimed. Creditors should be aware the Act allows a creditor to apply to the Court to set aside or modify a resolution authorising the execution of a DOCA if the resolution carries as a consequence of a related entity vote. Similarly, a defeated resolution for the Company to be wound up may be declared carried, if defeated by the vote of a related entity.

We also note that the amounts above are subject to the receipt and adjudication of final proofs of debt from creditors.

5.1.11 Contingent liabilities

We note that the Company is a guarantor for KEH in relation to various hire purchase facilities:

	Auction Value (\$)	Estimated Payout (\$)	Equity / Surplus (\$)	Estimated Shortfall (\$)
BOQ	399,091	365,753	33,338	-
Capital	83,500	47,128	36,372	-
DLL	63,636	53,691	9,945	-
Esanda	177,482	358,930	-	(181,448)
NAB	579,545	896,669	-	(317,124)
St George	130,000	124,484	5,516	-
Westpac	534,054	847,618	-	(313,564)
Manitowoc Finance	363,636	200,808	162,829	-
Total	\$2,330,945	\$2,895,082	\$248,000	(\$812,136)

Based on our preliminary assessment, we anticipate that there will likely be contingent liabilities in the form of shortfall amount to various hire purchase financiers, as a result of the guarantee granted by the Company.

5.2 Omissions from statements

We have not identified any material omissions from the Directors' statement.

5.3 Explanation for current financial position

The Directors' explanation for the Company's current financial position is as follows:

- A dispute with Downer Australia regarding monies owed to the Company, ongoing litigation and the refusal of Downer Australia to pay debts, resulting in a tightening of the working capital position.
- The loss of contracts (e.g. Argyle) and delay of major new contracts further restricted working capital.

Our preliminary view is that the Company failed because of a combination of the above and the following factors:

- Lack of adequate working capital to bridge disputes in respect to contract performance;
- The inability to manage the on-going outstanding taxation commitments and a general emphasis on turnover, not profit; and
- Unfavourable market conditions, slowdown in energy, minerals and resources construction related activity.

Please note that the above analysis is a preliminary view only, a liquidator would need to conduct further investigations to determine the actual causes of failure.

6 Trading by Administrators

6.1 Overview

The Administrators assumed control of the Company's business upon appointment. Appropriate controls and systems were put in place with respect to cash/banking, purchase orders, stock control and reporting. Specifically, during the Administration period we attended to:

- Opening of new accounts with service providers, utilities and other non-stock suppliers;
- Reviewed major contracts and negotiated terms of trade with various suppliers;
- Continued employment of staff, where possible;
- Negotiation of certain payments of necessity to ensure continued supply of business critical services;
- Assessed ongoing requirement for hired and rented assets and where possible, a number of non-required items have been disclaimed;
- Negotiation of security interest settlements;
- Meetings with Director, senior management and staff;
- Instructions to carry out immediate stock take for inventories and consumables;
- Reviewed the procedures for IT services and back up processes for information on site;
- Preparation of an 'Administration' trading cash-flow forecast; and
- Review of the adequacy of the insurances policies of the Company.

We endeavoured to allow the business to trade in the "ordinary course" during the administration with a view to completing contracts on foot where viable to do so, as doing so allows:

- Preservation of the business as a going concern leading to maximum value being obtained for stakeholders through either a restructure or trade sale.
- Allows the Company to continue its contractual obligation on contracts, which will add value in any sale / restructure scenario, where those contracts can be assigned to an incoming Purchaser.
- Reduces the exposure through bank guarantee and bonds on issue from Westpac, specifically in relation to the CB&I contract.
- Does not deplete the asset pool (in particular, we will not need to use receivables to fund operating losses).
- Prevents increases to the creditor pool through liquidated damages and other claims.

All other contracts have remained on foot and we have been liaising with the contract principals to complete the works and to ensure that progress claims / invoices are paid in a timely fashion. These and other measures should allow the company to trade at break-even / profit basis during the administration period and with a view to a cash surplus as a result of facilitating the continuity of contracts and therefore maximizing debtor recoveries.

6.2 Update on Contracts

We have set out below a brief summary of the status of these contracts, and the results of trading to date for the information of creditors and stakeholders.

6.2.1 CB&I

The CB&I contract commenced in August 2010 for works on the Gorgon Barrow Island LNG Plant. To date, the contract is approximately 97% complete and practical completion is anticipated for November 2014. This contract forms part of the BSA with Central Systems and as a result an Assignment Agreement has been entered into the parties which provides (in essence) for:

- Assignment of the contract by no later than 3 October 2014 when CS are due to provide a replacement of the KCCC 24 months bank guarantee (\$2.4M);
- Payment of invoices including \$2.1M due 26 September 2014;
- Release of 50% of cash retentions (\$650k) over the next week or so; and
- Release of the remaining 50% of cash retentions (\$650k) upon practical completion (November 2014 to January 2015).

6.2.2 Leighton

The provision of labour contract entered into with Leighton for the Gorgon Civils and Underground Services commenced mobilisation phase in late August 2014. It was originally

intended that this contract would take on the labour from the concluding CB&I contract and form part of the BSA with Central Systems.

We note that the inclusion of this contract with the BSA is subject to approval of assignment from Leighton and the first payment under the contract is not scheduled to be received until October 2014.

6.2.3 WBHO

The WHBO Technical Ammonium Nitrate production facility civil works contract located in Burrup, Western Australia was estimated to be 90% complete as at the date of our appointment. The project is currently in wind down phase with practical completion estimated for mid October 2014. This project is anticipated to sit outside the BSA.

6.2.4 Other jobs (minor contracts)

In addition to the above contracts, the Company also carried out other smaller jobs from the Karratha Depot. During the course of the Administration, we have continued to service and complete the various orders as required.

6.3 Summary of receipts and payments

A summary of the Administrators' receipts and payments for the period 1 September 2014 to 23 September 2014 is included in the Administrators' Remuneration Approval Request Report attached as **Annexure A**.

7 Sale of business / assets

Prior to our appointment on 1 September 2014, the director had negotiated and entered into a BSA with Central Systems, an independent third party purchaser.

As part of our appointment we have assessed the terms of the BSA, engaged and negotiated with Central Systems to firm up the terms and conditions of the sale (including the timing of the settlement) and to finalise the BSA.

Initially, the BSA provided for the sale/purchase of most assets of KCCC and KEH and for the assignment of the construction contracts.

We outline below the main key milestones dates and events since the BSA was entered into:

Date	Key events
1 September 2014	KCCC / The Company (First Seller), KEH (Second Seller) and KCPL (Third Seller) was entered into a BSA with Central System
2 September 2014	KCCC Administrators entered into a Limited Recourse Facility with Central Systems pursuant to which Central Systems would fund payment of wages and financial commitments required by the Administrators in continuing the contracts the subject of the BSA.
5 September 2014	Deed of Variation of the BSA entered into which extended the terms of the conditions precedent from 8 September 2014 to 15 September 2014 and provided for the Administrators to replace director of KCCC, KEH and KCPL as the negotiating representative for the sellers. The variation also provided for the repayment of the limited recourse loan advances to be repayable from cash received from revenue generates by trading in September 2014.
15 September 2014	Second Deed of Variation entered into which provided for an extension of the terms of the conditions precedent from 15 September 2014 to 19 September 2014 and some initial clarification of the definition of assets subject to the BSA and the sellers' address for notices under the BSA.
19 September 2014	Third Deed of Variation entered into which provided for an extension of the terms of the conditions precedent from 19 September 2014 to 30 September 2014.
23 September 2014	Assignment Agreement entered into between KCCC, Central Systems and CB&I which provides for the assignment of the CB&I contract with an effective date no later than 3 October 2014.

During the above period, we have met with contractors/principals in respect to both the Buyer's due diligence and the Administrators' enquiries, inter alia, in respect to the collection of debtors, confirmation of payment for services rendered during the administration period and steps required to close out the contract works. Accordingly, negotiations have also ensued with the Buyer in respect to clearance of the conditions precedent to the BSA. We anticipate settlement under the BSA will occur on or around 3 October 2014, subject to final documentation of the BSA in the intervening period.

8 Proposal for DOCA

8.1 Proposal received

We have received a DOCA proposal from the Company's Directors/Shareholder, Ernest Paul Thompson on 24 September 2014. The proposal is outlined below.

We consider that the proposed DOCA does not comply with section 25.6.6 of the Code because the DOCA does not (and we consider that the Company's circumstances do not presently) allow for a provision of a reliable estimate of the return to creditors and the likely timing of such returns versus a liquidation scenario.

8.2 Key features of the proposal

The proposed DOCA includes the following key commercial features:

Element	Proposal
A. Purpose of DOCA	<ul style="list-style-type: none"> To maximise the chance of the Company continuing in existence. To provide a greater return to the Company's creditors than would be available in liquidation and in a timely manner. Enable sufficient time to consider and implement asset realisation strategies, and/or to negotiate with a view to a possible financial reorganisation of the affairs of the Company. The DOCA will operate for a period of 4 months from acceptance by creditors or such shorter period as contemplated by the "Termination of DOCA" section below.
B. DOCA Proponent	<ul style="list-style-type: none"> The DOCA is being proposed by the Company's Director. The Deed Administrators shall be responsible for the management, operation and control of the business and affairs of the company through the DOCA period.
C. Deed Administrators	<ul style="list-style-type: none"> The Administrators (Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson) will be the Deed Administrators.
D. Participating Creditors	<ul style="list-style-type: none"> Creditors of the Company who had claims as at the date of the appointment of the administrators (Participating Creditors) will be bound by the DOCA. Participating Creditors excludes the Excluded Creditors.
E. Excluded Creditors	<ul style="list-style-type: none"> Excluded Creditors means the DOCA Proponent and his related parties who are not entitled to claim for the purposes of, and in relation to the Fund. The claims of the Excluded Creditors will <u>not</u> be released by the DOCA.
F. Fund	<ul style="list-style-type: none"> The Fund will be comprised by the Company's assets realisable by the Deed Administrators and the subject of a further proposal to be put by the DOCA Proponent to the Deed Administrators within 3 months of acceptance of this proposal being accepted by creditors. The DOCA Proponent is interested to make such a complete proposal now, but is mindful that the Company's assets are partly subject to a Business Sale Agreement, the financial outcome of which is not yet known.
G. Third Party Security	<ul style="list-style-type: none"> The Proponent will progress the marketing for sale of his Geraldton and (5 Exploration Drive) Karratha depots with a view to the timely repayment of the respective mortgagees. The Proponent will provide to the Deed Administrators a copy of the market appraisals and sales agent updates in respect to those third party land assets in order to satisfy the question whether any shortfall from such assets may arise against the Company as

Element	Proposal
	<p>a claim under the mortgagee security.</p> <ul style="list-style-type: none"> The Deed Administrators may, at their own cost, obtain their own valuation should they wish.
H. Application of the Fund	<ul style="list-style-type: none"> The Fund will be applied by the Deed Administrators in accordance with sections 556, 560 and 561 of the Corporations Act.
I. Shares	<ul style="list-style-type: none"> The Deed Administrator may transfer all of the shares in the Company to the Buyer of the Company's business or otherwise at their discretion. The DOCA deed may be provided as evidence of the proponent's consent to such transfer. To the extent there is another shareholder, the Deed Administrators may proceed in accordance with section 444GA of the Act, either with the written consent of the other owner/s of the shares or with the leave of the Court.
J. Conditions Precedent of DOCA	<ul style="list-style-type: none"> It will be a condition of the DOCA that: <ul style="list-style-type: none"> (a) the creditors of the Company approve the DOCA proposal; and (b) a DOCA Deed is executed on terms acceptable to the administrators and the DOCA Proponent.
K. Secured Creditors	<ul style="list-style-type: none"> Except as expressly provided for in the DOCA and notwithstanding that the secured creditors may have voted in favour of the DOCA, nothing in the DOCA will otherwise affect or restrict the rights and interests of the secured creditors in respect of any amount owing by the Company to the secured creditors.
L. Powers of Deed Administrators	<ul style="list-style-type: none"> The deed administrators will be empowered pursuant to the DOCA Deed to (inter alia) trade the Company's business, to realise its assets collect and to make application to the Court in accordance with the Act at their discretion. The Deed Administrators will continue their investigations into the affairs of the Company and as to possible claims available to the Company. It is open to the Deed Administrators to revert to creditors via a general meeting of creditors, to seek a future variation of the DOCA, which may include a Creditors' Trust. It will be a matter for that meeting to determine the appropriateness of any such variation. The Deed Administrators will be entitled to call for and adjudicate upon proofs of debts from creditors, with a view to determining the size of the creditor pool so as to assess whether an interim dividend can be paid to particular categories of creditors of the Company (including to employees). Without limiting the powers described above and subject to the Act, the Deed Administrators will also have the power to remove from office a director of the Company and appoint a person nominated by the DOCA Proponent to be a Director of the Company.
M. Termination of DOCA	<ul style="list-style-type: none"> The DOCA will terminate and the appointment of the Deed Administrators will come to an end upon the earlier of the following events: <ul style="list-style-type: none"> (a) the lapse of the period of 4 months from acceptance by creditors of the DOCA; or (b) the Deed Administrators giving written notice to the creditors that the DOCA has terminated; or (c) a resolution to that effect is passed by the creditors at a meeting convened: <ul style="list-style-type: none"> at the request of the Committee of Inspection (if formed); or by the Deed Administrators at the request of 2 or more creditors owed debts of more than a total of \$250,000; or otherwise in accordance with the Act; or (d) by an order of the Court.

Element	Proposal
N. Variation of DOCA	<ul style="list-style-type: none"> The DOCA may be varied by resolution passed at a meeting of creditors convened under section 445F of the Act, but only if the variation is not materially different from the proposed variation set out in the notice of meeting. Nothing in the varied DOCA shall limit the operation of s445D and s445E of the Act.
O. Enforcement against the Company	<ul style="list-style-type: none"> The company, any officer or member of the Company or any creditor bound by the provisions of the DOCA must not make any application to wind up the Company, continue any such application or commence or continue any enforcement process in relation to the property of the Company.
P. Other terms	<ul style="list-style-type: none"> The Administrators and Deed Administrators are entitled to be indemnified out of, and have a lien over the assets of the Company for their remuneration, costs, fees and expenses for work done in the performance of their duties as Administrators and Deed Administrators. That any other terms and conditions as contained in Schedule 8A of the Corporations Regulations be retained so as to give effect to the DOCA. Sections 440C and 440D will apply while the DOCA is on foot.

8.3 Related Entity / Parties

The proposed DOCA provides that the Director's related entities will not claim for dividend purposes under the DOCA. In the event that creditors vote in favour of the DOCA, the Administrators will, before executing the proposed DOCA Deed, seek related parties execute a Deed of forbearance or provide signed acknowledgement of the debt subordination.

8.4 Proposed Monitoring and Reporting Arrangements

Should it appear that the terms of the DOCA are not capable of being fulfilled, we will write to advise creditors as soon as practicable, and may convene a further meeting to terminate the DOCA.

Indeed, it is anticipated in the DOCA proposal that a variation DOCA proposal will be submitted by the Director on or before 7 January 2015.

8.5 Prospective Financial Information / Contributions from trading

The DOCA proposal relies upon a positive realisation program and may rely (subject to receipt of a more comprehensive proposal) upon future profits of the Company.

We do not have prospective financial information which may assist creditors with their assessment at this time.

8.6 Prospects of DOCA Success

There are positive attributes to the DOCA which may benefit creditors including:

- An orderly transition of contracts outside of a liquidation scenario which may result in higher debtor collections and minimise damages claims from contractors/principals; and

- Realisation of the Director's personal assets (held in Trusts) in the form of properties at Geraldton and (5 Exploration Drive) Karratha, which can clarify the extent of any claim by the Bank as a result of its cross-collateral security (held over the Mardie Road property).

We are unable to quantify the above benefits, however we acknowledge that same may have significant value and assist with the maximisation of asset realisations in the interests of creditors.

We consider there is some prospect of the terms of the DOCA being achieved, though it is contingent upon a number of future events, including orderly and successful realisation of assets by the Administrators and a more definitive DOCA proposal from the Director by 7 January 2015 which provides more fully for a restructure and return to creditors which is better than a liquidation scenario.

9 Statutory investigations

9.1 Nature and scope of review

The Act requires an administrator to carry out preliminary investigations into a company's business, property, affairs and financial circumstances.

Investigations centre on transactions entered into by the company that a liquidator might seek to void or otherwise challenge where the company is wound up. Investigations allow an administrator to advise creditors what funds might become available to a liquidator such that creditors can properly assess whether to accept a DOCA proposal or resolve to wind up the company.

A liquidator may recover funds from certain voidable transactions or through other avenues; for example, through action seeking compensation for insolvent trading or breach of director duties. Funds recovered would be available to the general body of unsecured creditors including secured creditors but only to the extent of any shortfall incurred after realising their security.

An administrator is not obliged to carry out investigations to the same extent as a liquidator. A liquidator may require many months of investigation and conduct public examinations before forming a concluded view on recovery action. A deed administrator does not have recourse to voidable transactions.

We investigated matters to the extent possible in the time available.

The Administrators' knowledge of the Company's affairs comes principally from the following sources:

- Discussions with the Director, their advisors and key staff members.
- The Director's Statement and questionnaire concerning the Company's affairs prepared by the Director, Paul Thompson.
- Management accounts, books and records, board reports and financial statements.
- The Company's internal accounting system, Jobpac.
- Correspondence and discussions with the Company's creditors.
- An independent valuation of the Company's assets and discussions with independent auctioneers and valuers as to the Company's plant and equipment.
- A search of the ASIC records relating to the Company and any related entities.
- Searches obtained from WA Department of Transport and Landgate.
- An examination of the Company's books and records including its financial statements.

9.2 The Company's solvency

9.2.1 Overview

In order for a liquidator to recover funds through the voiding of certain transactions or through other legal action, such as seeking compensation from directors for insolvent trading, the Company's insolvency must be established at the relevant time.

Establishing insolvency is a complex matter due in part to the complexity of corporate financial transactions and the lack of clear prescriptive legal authority on proof of insolvency. Notwithstanding, there are two primary tests used in determining a company's solvency, at a particular date, namely:

- Balance sheet test; and
- Cash flow or commercial test.

The Courts have widely used the cash flow or commercial test in determining a company's solvency at a particular date along with several other indicators.

Section 95A of the Act also contains a definition of solvency. That definition reflects the commercial test in stating that a person is solvent if *"the person is able to pay all the person's debts as and when they become due and payable"*.

However, the commercial test is not the sole determinant of solvency. Determining solvency derives from a proper consideration of a company's financial position in its entirety and in the context of commercial reality. Relevant issues include, but are not limited to the following:

- The degree of illiquidity. A temporary lack of liquidity is not conclusive.
- Regard should be had to:
 - Cash resources.
 - Monies available through asset realisations, borrowings against the security of assets or equity/capital raising.
- All a company's assets might not be relevant when considering solvency. For example, where a company proposes selling assets which are essential to its business operations, the proceeds of those assets should not be taken into account;
- The voluntary and temporary forbearance by creditors not to enforce payment terms; and
- It is not appropriate to base an assessment of whether a company can meet its liabilities as and when they fall due on the prospect that a company might trade profitably in the future.

In summary, it is a company's inability using such resources as are available to it through the use of its assets, or otherwise, to meet its debts as they fall due, which indicates insolvency.

9.2.2 Preliminary determination

Set out below is a summary of our preliminary investigations and our preliminary determination as to the Company's solvency.

9.2.2.1 Availability of other cash resources – cash flow test

Profitability

The Company's profit results for the year ending 30 June 2012, 30 June 2013, 30 June 2014 and for the period ending 31 August 2014 are tabled below:

Profitability	2 Month to 31 August 2014	Year Ended 30 June 2014	Year Ended 30 June 2013	Year Ended 30 June 2012
Profit / (Losses)	(1,210,269)	17,797	1,768,765	1,143,002
Adjustment for receipt from the Killarney Holding Trust	(4,445,924)	(4,445,924)	-	-
Profit / (Losses) post adjustment	(\$5,656,193)	(\$4,428,127)	\$1,768,765	\$1,143,002

As you will note, the Company had a significantly reduced profit from 30 June 2013 to 30 June 2014 and an expected loss in the 2 months to 31 August 2014 which could be attributed to the delay in having claims approved for invoicing.

We understand the reduction in revenue relates to the later than expected start on the WBHO contract and reduced works on the CB&I contract as detailed at section 4.2 above.

We have also included the adjusted profitability had the group not received a \$4,445,924 payment from the Killarney Holding Trust (shown as section 4.2 above). As can be seen, without this transaction occurring, the Company would have incurred a loss as at 30 June 2014.

Cash flow Statements

The Company prepared weekly cash flow forecasts covering a budgeted five (5) month period which were monitored and updated daily. The Company also prepared monthly profit and loss statements and balance sheets on an individual and consolidated basis that captured direct project revenue and costs. These were reported in the Company's management accounts.

From a review of the cash flow forecast prepared on 4 June 2014, the Company was estimated to periodically exceed its overdraft facility limit for the period June to early September 2014. Further, the Company would not have a positive bank balance until early September 2014 after the collection of major debtors. This was similarly forecasted in the cash flow prepared in July 2014.

Management have advised us that as a result of the identified cash constrictions, the Company implemented cost cutting measures in early 2014 (including reducing the number of overhead staff) saving approximately \$265k/month. Unfortunately, however, in addition to the redundancy costs incurred by the Company as a result of the termination of overhead staff, approximately 100 workers were demobilised from projects causing a further \$500k in additional employee entitlements which were to be met.

As a result of the anticipated cash requirement, management entered into negotiations for a sale of a portion of the business with Central Systems. In this regard, we note that the Company had also been in negotiations with Central Systems in 2013 in respect of purchasing a stake in the business however this did not eventuate at the time.

Access to alternative sources of finance

Given a significant portion of the Company's assets were already encumbered by the Bank's securities and the Company was guarantor for related party debts, there were no further assets available in which to secure additional finance.

Disposal of non-core assets

As far as we are aware, the Company did not dispose of any non-core assets to satisfy any creditor demands in the period prior to our appointment. In this regard, we note that the Mardie Road Property was subject to the Bank's security and any disposal of same would have been used to pay down the Bank's debt rather than any surplus utilised to meet the Company's working capital requirements.

9.2.2.2 Endemic shortage of working capital - balance sheet test

Working capital

The working capital position determines whether or not a company can pay its immediate debts with its immediate assets. A positive working capital is when current assets exceed current liabilities.

The table below summarises the Company's working capital position up to the date of our appointment:

Working Capital	2 Month to 31 August 2014	Year end 30 June 2014	Year End 30 June 2013	Year End 30 June 2012
Current Assets	17,869,630	19,608,122	28,451,843	17,965,810
Current Liabilities	19,343,107	20,324,735	29,280,978	18,723,736
Working Capital Deficiency	(1,473,477)	(716,613)	(829,135)	(757,926)
Working Capital Ratio	0.92	0.96	0.97	0.96
Adjustments for Killarnee Holding Trust transfer	(4,445,924)	(4,445,924)	-	-
Current Assets (adjusted)	13,423,706	15,162,198	28,451,843	17,965,810
Current Liabilities	19,343,107	20,324,735	29,280,978	18,723,736
Working Capital Deficiency	(\$5,919,401)	(\$5,162,537)	(\$829,135)	(\$757,926)
Working Capital Ratio	0.69	0.75	0.97	0.96

We make the following comments in respect of the above high level analysis:

- A working capital ratio below (1) one indicates that the Company will not be able to meet its current liabilities through the realisation of its current assets.

- We note that these figures are taken from the Company prepared financial statements, of which no items were classified as non-current liabilities. This may have distorted the working capital figure into further deficiency. We do note however that these negative balances are still very large working capital deficiencies and indicate that regardless of accounting policies, there may have still been a negative net working capital balance.
- We note a large jump in working capital deficiencies in the 2 months leading up to our appointment, giving an indication that the Company may have been insolvent.
- When adjusted to exclude the payment received from the Killarnee Holding Trust, the deficiency in working capital falls drastically demonstrating that without this funding the Company would have likely been unable to carry on past 30 June 2014.

Net asset position

As reported in section 4.3, it is difficult to comment on when the Company would have first have reported a net asset deficiency as the balance sheet is structured to always come to a net asset balance of \$10 through adjusting the beneficiary entitlements and loan accounts as tabled below.

	2 Month to 31 August 2014	Year end 30 June 2014	Year End 30 June 2013	Year End 30 June 2012
Total Current Assets	17,869,630	19,608,122	28,451,843	17,965,810
Total Non-Current Assets	706,567	716,623	829,145	757,936
Total Assets	18,576,197	20,324,745	29,280,988	18,723,746
Beneficiary Entitlements	1,920,136	1,920,137	10,229,717	10,466,014
Total Current Liabilities	17,422,971	18,404,598	19,051,261	8,257,722
Total Liabilities	19,343,107	20,324,735	29,280,978	18,723,736
Net Assets	(\$766,910)	\$10	\$10	\$10

The total asset position was decreasing from 2013, coinciding with decreased beneficiary entitlements during this time, indicating fewer distributions to trust accounts.

As the net assets balance for the 2 months to 2014 has not been compiled the Company's accountants, the beneficiary entitlements and loan accounts have not been adjusted to reflect a net asset balance of \$10. From this we see a large drop in net assets during these 2 months.

Aged payables review

The table overleaf sets out an analysis of the aged payables (trade creditors only) from the month ending 31 January 2014 to the date of our appointment:

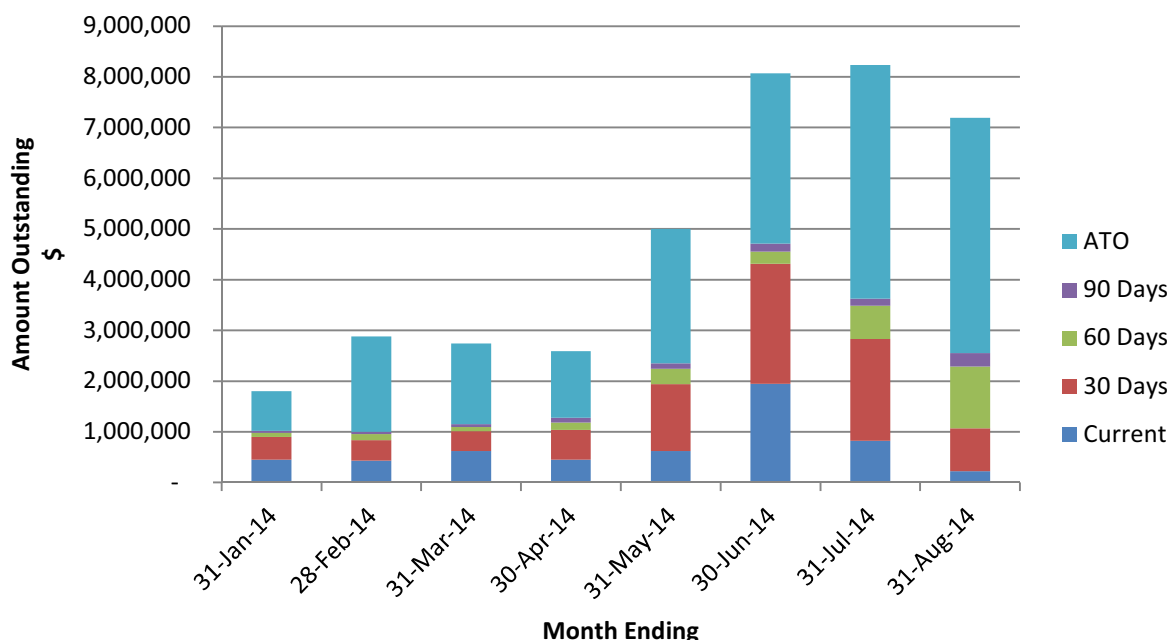
Month	Current	30 Days	60 Days	90 Days	Total
31-Jan-14	452,595	447,038	81,542	36,969	1,018,145
% of total	44.45%	43.91%	8.01%	3.63%	100.00%
28-Feb-14	433,269	401,479	119,038	43,962	997,748
% of total	43.42%	40.24%	11.93%	4.41%	100.00%
31-Mar-14	620,480	391,872	82,693	56,042	1,151,087
% of total	53.90%	34.04%	7.18%	4.87%	100.00%
30-Apr-14	449,163	591,677	142,677	97,253	1,280,771
% of total	35.07%	46.20%	11.14%	7.59%	100.00%
31-May-14	620,897	1,317,430	306,921	103,500	2,348,748
% of total	26.44%	56.09%	13.07%	4.41%	100.00%
30-Jun-14	1,947,605	2,368,350	235,444	157,350	4,708,749
% of total	41.36%	50.30%	5.00%	3.34%	100.00%
31-Jul-14	823,874	2,009,719	653,953	141,005	3,628,551
% of total	22.71%	55.39%	18.02%	3.89%	100.00%
31-Aug-14	224,576	844,914	1,220,638	262,924	2,553,051
% of total	8.80%	33.09%	47.81%	10.30%	100.00%

As detailed in the table above and illustrated in the graphs below, there was a surge in overall creditor claims from May 2014 concluding with peak indebtedness as at 30 June 2014. From that time until the date of our appointment, current and 30 days creditor terms were paid in favour of 60 day creditor terms.

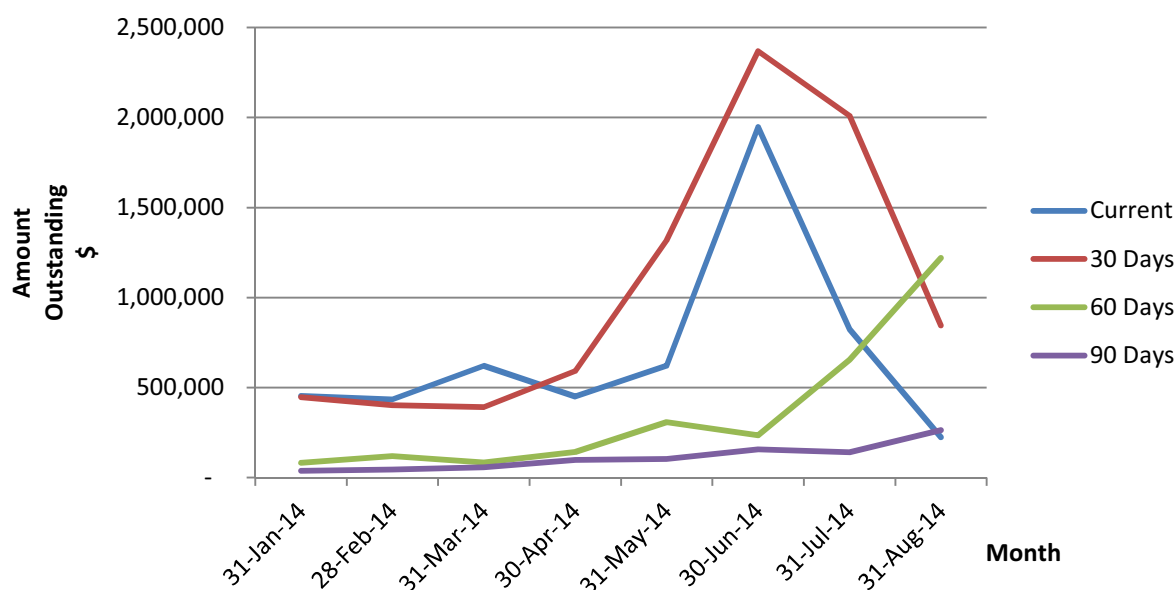
Management have advised that the reason behind the significant increase and subsequent decrease in trade creditors was as a result of complications/delays with the commencement of the WBHO project and the associated material and labour works (i.e. incurring debt) before the receipt of payment was received on the contract to meet the creditor claims. In this regard, we also note that approximately 57% of the total outstanding accounts for June related to the major concrete supplier on the WBHO contract and the Company's insurance broker.

The following table provides a graphical overview of creditor ageing plus depiction of the ATO in addition thereto:

Creditor Ageing Analysis



Creditor Ageing Analysis



The above aged payables analysis suggests that the Company was insolvent from at least 30 June 2014, the point at which the 60 day creditor balances commenced significantly increasing (i.e. increase of 278% from June to July 2014 and a further 187% from July to August 2014). There was also a substantial increase in 90 day creditor balances of 186% from July to August 2014. This indicates that the Company was unable to pay all creditors within the standard trading terms of 30 days.

Review of banking facilities and finance commitments

The Company operated an overdraft facility with its Banker. As a result of the facilities, the Company was required to prepare quarterly reports which were prepared in consultation with the Company's business advisors, Vantage Performance.

The quarterly reports prepared for the periods ending 31 December 2014 and 31 March 2014 identified that the Company was in breach of 3 out of 4 and 4 out of 4 banking covenants respectively as tabled below.

Banking Covenants	Rate	31 December 2014	31 March 2014
*Group Debt Service Cover (Earnings before Interest and Depreciation less Taxation Expenses divided by Total Repayments and Interest Expense)	>1.5 times	0.63 Breached	0.68 Breached
*Group Gearing Ratio (Ratio of finance debt to earnings before Interest, Taxation and Depreciation for the previous 12 months)	<3 times	4.78 Breached	4.60 Breached

Banking Covenants	Rate	31 December 2014	31 March 2014
*Group Capital Ratio (Surplus of tangible assets over liabilities divided by total tangible assets)	>30%	31% Met	28% Breached
Interest Cover Ratio (Earnings before Interest and Depreciation divided by Loan Interest Expense)	>3 times	1.42 Breached	2.01 Breached

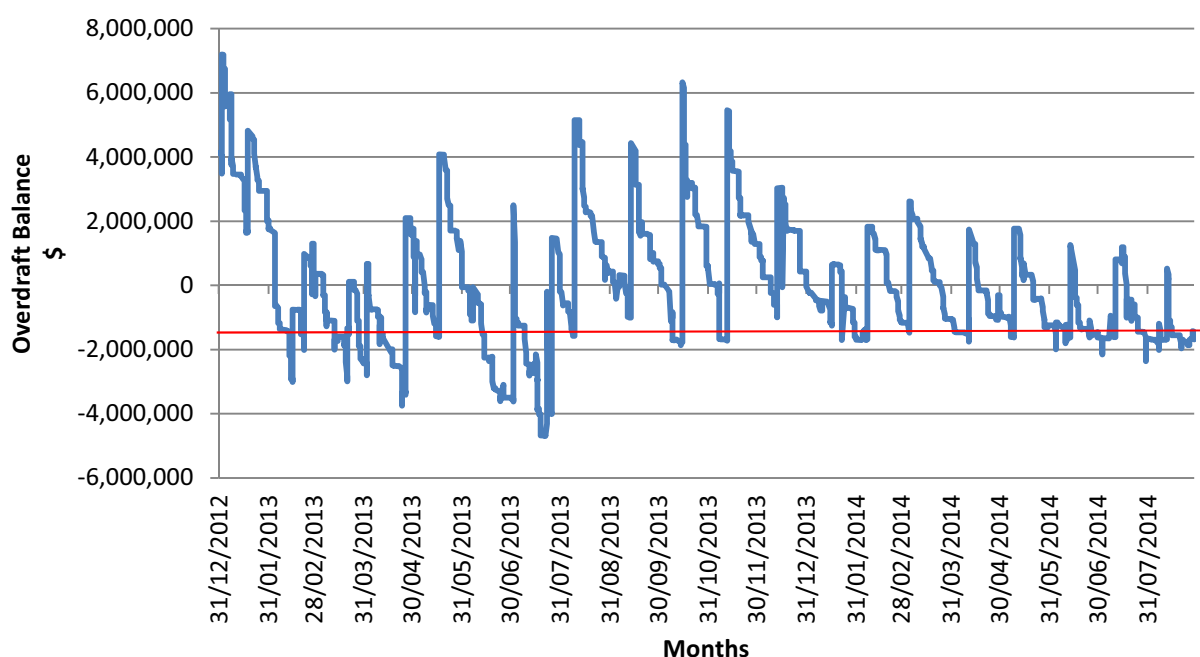
*We note that the "Group" refers to the Company, the assets of the Thompson Family Trust, KCPL, Killarnee Group Pty Ltd and KEH.

The breaches of the banking covenants caused the Bank to reduce the limit of the equipment finance facility from \$2.75M to \$1.07M on 6 May 2014.

The Company also forecast in May 2014 that cash needs would exceed available credit under the Bank's overdraft facility with a peak of \$1.2M occurring in August 2014. We understand that there has only been one (1) breach of the \$1.75M overdraft limit due to the payment of the Diners Club account which was subsequently reversed.

We have also been advised that the Bank provided temporary overdraft increases at certain times when requested by the Company in order for wages and critical trading payments to be met. Illustrated below is the movement of the cash balance from 1 January 2013 to the date of our appointment. At the time of writing, we have not been provided with the details on the temporary limit increases and have shown the overdraft limit of \$1.75M, being the limit as at the date of our appointment, with a red line.

Overdraft facility



The above analysis indicates that the Company was in breach of the financial covenants from as early as 31 December 2013.

We note that the Company did not have any further finance commitments.

9.2.2.3 *Payment of statutory commitments*

PAYG

KCCC's PAYG obligation to the ATO was reported on a weekly basis as a result of being classified as a large withholder. At the date of our appointment, the amount outstanding to the ATO for PAYG debts is approximately \$3,817,528 reconciled as follows:

PAYG Outstanding	Amount \$
Week ending 27 April 2014	245,000
Week ending 4 May 2014	314,560
Week ending 11 May 2014	237,080
Week ending 18 May 2014	341,763
Week ending 25 May 2014	280,929
Week ending 1 June 2014	341,561
Week ending 8 June 2014	272,177
Week ending 15 June 2014	263,423
Week ending 22 June 2014	228,482
Week ending 29 June 2014	240,390
Week ending 6 July 2014	216,490
Week ending 10 August 2014	263,552
Week ending 17 August 2014	210,739
Week ending 24 August 2014	213,708
Week ending 31 August 2014	147,674
Total	\$3,817,528

GST

KCCC reported GST on the quarterly BASs which were lodged up to 30 June 2014 by Matrix Partners on behalf of the Company. We note that there is approximately \$1,659,218 outstanding to the ATO in respect of GST and general interest charges.

The September Quarter BAS remains outstanding and is not due for lodgement until 28 October 2014. Given the appointment of the Administrators, however, only the period 1 July 2014 to 31 August 2014 will need to be lodged for the pre-appointment period, and this is likely to increase the amount owed to the ATO.

Payroll Tax

Payroll tax is due to be remitted within seven (7) days of the end of each month. As at the date of our appointment, we understand that the Company has a negotiated payment plan with the Office of State Revenue which captures unpaid payroll tax for January 2014, with amounts for June July and August 2014 in the amount of \$629,144 outstanding and reconciled as follows:

Payroll Tax Outstanding	Amount \$
January 2014 (subject to a payment plan)	37,788
June 2014	180,289
July 2014	218,323
August 2014	192,744
Total	\$629,144

Unpaid Superannuation

Based upon the Company's records, we note that the Company has not been making superannuation payments from 1 April 2014 and the total outstanding superannuation payments for the period from 1 April 2012 to 31 August 2014 totals \$898,341, broken down as follows:

Superannuation Outstanding	Amount \$
Quarter ending June 2014	498,796
Period 1 July 2014 to 31 August 2014 (not due till 28 October 2014)	399,545
Total	\$898,341

Non-payment of superannuation indicates the Company may have been insolvent in or around July 2014, when the payment of the superannuation for the quarter ending June 2014 was due.

9.2.2.4 *Creditor correspondence and legal action*

Management have advised that creditor expectations were managed over a number of months which is consistent with the lack of demands or formal action by trade creditors. In this regard, however, there were three (3) creditors which did place the Company on 'stop supply' during 2014 or make payment requests directly from the contract principle. These commenced from as early as 11 July 2014.

Documentation received from the ATO reveals that formal payment arrangements were entered into with the ATO in respect of PAYG and GST from as early as February 2013 (\$1.3M), refusal of a payment plan by the ATO on 30 May 2013 (\$2.2M). The Company requested these be consolidated into one payment arrangement in February 2014. On or around May 2014, the Company submitted a request to vary the payment arrangement

however this was rejected by the ATO on the basis that the plan didn't adequately deal with current obligations. Subsequently, a director penalty notice was issued for unremitted PAYG withheld for May to July 2014. The above indicates the Company was insolvent as early as February 2013 and more so by February and May 2014.

9.2.3 Preliminary conclusion as to solvency

We outline our preliminary assessment as to the insolvency of the Company:

Assessment area	Date relevant to insolvency
Profitability	undetermined
Cash flow statements and/or forecasts	4 June 2014
Working capital deficiency	30 June 2012
Deteriorating financial ratios	31 December 2013
Aged trade payables	30 June 2014
Payment arrangements with creditors	30 June 2014
Statutory payments in arrears	February 2013
Demands, writs, summons issued	11 August 2014
Dishonoured cheques / transfers	undetermined

Based upon our preliminary analysis, we are of the opinion that the Company may have been insolvent from as early as **30 June 2013**, when significant statutory payments were in arrears and subject to plans. The Company's financial statements at this time were materially influenced by accountants yet unexplained journal entries remained.

A liquidator, if appointed, would need to conduct further investigations, and possibly conduct public examination of relevant parties, to ultimately determine whether or not the Company became insolvent at that time or earlier.

9.2.4 Presumption of insolvency – inadequate books and records

Failure to keep or retain adequate books and records in accordance with Section 286 of the Act provides a rebuttable presumption of insolvency under Section 588E of the Act. A liquidator can rely on the presumption of insolvency in litigation including:

- Compensation claims arising from insolvent trading; and
- Recovery of voidable transactions from related entities.

The presumption cannot be relied upon in the recovery of an unfair preference except where the recovery is sought from a related entity.

Our preliminary view is that the Company maintained adequate books and records in accordance with Section 286. Accordingly, the presumption of insolvency under Section 588E would not be available

9.3 Potential liquidator recoveries – insolvent trading

9.3.1 Directors' liability

Section 588G of the Act imposes a positive duty upon company directors to prevent insolvent trading. If a director is found guilty of an offence in contravening Section 588G, the Court may order him or her to pay compensation to the company equal to the amount of loss or damage suffered by its creditors.

The Court may also impose upon the directors one of two types of civil penalty orders, the first can include a fine or an order prohibiting the directors from participating in the management of a company. The second, where there is criminal intent and conviction, a director could also be imprisoned for up to five years or fined as well.

This action is not a right that is available to an administrator or a deed administrator. Applications for compensation payable to the company are usually made by a liquidator, or in specified circumstances, a creditor.

The substantive elements of Section 588G are:

- A person must be a director of a company at a time when the company incurs a debt;
- The company must be insolvent at the time or becomes insolvent by incurring the debt; and
- The director must have reasonable grounds for suspecting that the company is insolvent.

The defences available to directors contained in Section 588H are:

- The directors had reasonable grounds at the time the debt was incurred to expect the company to be solvent and would remain solvent even after the debt was incurred;
- The directors relied on another person to provide information about whether or not the company was insolvent;
- The directors were ill or for some other good reason did not take part in the management of the company; and
- The directors took reasonable steps to prevent the incurring of debt.

A liquidator must form an opinion as to the date of insolvency and determine the debts incurred from that date; thereby quantifying the loss to the company.

Based on our analysis at Section 9.2.3 of this report, we indicated it was likely that the Company was insolvent from late June 2013, and that the Director would have had reasonable grounds for suspecting so. Based on that analysis, we have formed the preliminary view that the Company traded whilst it was insolvent. In their defence, the Director could argue:

- No substantial debts were incurred beyond this date (if he can substantiate that claim);

- They sought advice from Vantage Performance over the course of approximately 12 months and ultimately advice from Ferrier Hodgson in late August 2014, which led to the appointment of administrators; and
- There was a reasonable expectation that the Company was or would remain solvent due to ongoing contracts from existing and new customers and negotiations with interested parties regarding some forms of funding injection/arrangement and to structure a sale of the business.

Again, a liquidator would likely seek legal advice on these issues and conduct more investigations possibly including a public examination.

The costs of proceedings with an insolvent trading action must be considered as does the personal financial capacity of the Directors to pay a judgement obtained against him.

The latter issue is addressed in Section 9.8 and we note that we have requested that the Director provide us with a statement of his personal assets and liabilities however none has been forthcoming. Various searches from publically available information have revealed that the Director's net asset position is complex and subject to a mixture of personal and corporate interests.

We also note that from a review of the Company's available records, the Director is burdened with guarantees on almost all of the finance / hire purchase contracts and may have further exposure to unsecured trade creditors through personal guarantees provided on trade accounts.

Any future appointed liquidator would likely seek legal advice on these issues and conduct further investigations into this matter and possibly including a public examination of the Director to be able to ascertain their true net worth.

Presently, unless further information is uncovered it is our view that an insolvent trading action would not be commercially viable and that no significant recoveries are available to creditor from pursuing this.

9.4 Potential liquidator recoveries – voidable transactions

A liquidator has the power to void certain transactions which are either not beneficial to, or detrimental to a company. An administrator must identify any transactions that appear to be voidable by a liquidator.

Enclosed at **Annexure C** is a creditor information sheet published by ARITA. This information sheet details the types of transactions in which a liquidator can seek to void.

9.4.1 Unfair preferences

A payment to a creditor is preferential if it is made at a time when the Company is insolvent and it results in the recipient receiving a greater return than they would receive if the payment were set aside and the creditor lodged a claim in the liquidation.

Should a liquidator establish any such unfair preference payments, these amounts may be recouped thereby increasing the funds available to ordinary unsecured creditors. If a creditor

disgorges an unfair preference payment to a liquidator, the creditor is entitled to prove for dividend. Therefore, whilst recovering an unfair preference increases the pool of funds available to creditors, it also increases total creditor claims.

Potential preference payments totalling \$5,852,472 were made to creditors by the Company during the relation back period. These are detailed in the following table:

Creditor Type	For	Amount \$
Trade Creditors	Stop payments or cancellation of credit terms	2,960,983
ATO	Payment arrangement	2,534,936
OSR	Payroll tax	356,552
Total estimated preference claims		\$5,852,472

It would appear that these creditors may have had reasonable grounds for suspecting the Company was insolvent due to the following:

- Payments in response to winding up applications, statutory demands and other pressure from the creditor;
- Repayment plans with the creditor;
- Significant 'round' payments made to the creditor.

A liquidator, if appointed, would need to conduct further investigations in relation to the transactions including and make an assessment as to:

- Whether there are defences available to the creditors; and
- Whether the costs likely to be incurred in voiding the transactions will outweigh the return.

9.4.2 Uncommercial transactions

A liquidator must investigate transactions deemed to be uncommercial, having regard to the detriment to the company suffered as a consequence of the transaction in the period two years prior to the date of administration.

We have not identified any uncommercial transactions at this date.

9.4.3 Unfair loans

A liquidator must investigate loans to the company which may be considered unfair due to extortionate interest rates or charges.

We have not identified any unfair loans to the Company at this date.

9.4.4 Voidable transactions - related parties

A liquidator must investigate related party transactions within four years of the date of administration and determine whether any transactions occurred when the company was insolvent or was likely to become insolvent as a result of the transaction.

We have identified the following transactions which appear to have been made at a time when the Company was insolvent:

Date	Nature of payment	Amount \$
Shamrock Property Holdings	Property Management Fees	245,098
Killarnee Contracting Pty Ltd	Funding for the payment of HP Liability	139,162
Killarnee Equipment Holdings	Funding for the payment of HP Liability	479,102
Total		\$863,362

We note that the payments made to Killarnee Contracting and Killarnee Equipment Holdings were for the payment of the HP financiers, and there was no mark up on the payments. Accordingly these payments would not be recoverable should the Company proceed into liquidation, as they were used to repay the Company's secured creditors.

Shamrock Property Holdings acted as the property managers for the Company and transactions to them were for the payment of the Company's landlords and property management fees for which there was a 10% mark up.

Accordingly we do not expect to be recovering payments from the related parties, as the transactions were ultimately for the legitimate payment of the Company's creditors.

9.4.5 Voidable charges

Pursuant to section 588FJ of the Act, a circulating security interest in property of the Company created during the 6 months ending on the relation back date or after that day but on or before the day when the winding up began, is void as against the Company's liquidator, unless it is proved that the Company was solvent immediately after that time.

As discussed at section 9.2.3 of the report, the Company more than likely became insolvent as at 30 June 2014. We have therefore only considered charges against the Company created from 1 July 2014 to the date of our appointment. In this regard we confirm that we have not identified any Voidable Charges against the Company.

9.5 Other potential liquidator recoveries

9.5.1 Compensation for breach of directors duties

Based on our investigations to date, we have not identified any offences the directors may have committed under the provisions of the Act.

In the time available and based upon the records in our possession, we have not been able to determine the potential recoveries for the Company. We note breaches of this position are primarily a regulatory matter and not one that would form the basis for recovery by the Company's creditors.

Any future appointed liquidator would likely seek legal advice on these issues and conduct more investigations possibly including a public examination to be able to determine the

potential recoveries for the Company and if any of the above potential breaches warrant a report to ASIC.

9.5.1 Arrangements to avoid employee entitlements

Provision contained in Part 5.8A of the Act aims to protect the entitlements of a company's employees from agreements that deliberately defeat the recovery of those entitlements upon insolvency.

Under Section 596AB(1) of the Act, it is an offence for a person to enter into a transaction or relevant agreement with the intention of, or with intentions that include:

- Preventing recovery of employee entitlements; or
- Significantly reducing the amount of employee entitlements recoverable.

We have not identified any instances in which the Company acted to deliberately defeat the recovery of employee entitlements.

9.6 Other matters arising from investigations

9.6.1 Falsification of books

Pursuant to Section 1307 of the Act, it is an offence for a person to engage in conduct that results in the concealment, destruction, mutilation or falsification of any securities of or belonging to the company or any books effecting or relating to affairs of the company.

If a breach is proven, Part 9.4 of the Act provides for criminal penalties only. Therefore, any breaches of Section 1307 will not result in recovery of funds by a liquidator.

The Administrators preliminary investigations do not reveal any evidence of falsification of books.

9.6.2 False or misleading statements

Pursuant to Section 1308 of the Act, a company must not advertise or publish a misleading statement regarding the amount of its capital. It is an offence for a person to make or authorise a statement that, to the person's knowledge is false or misleading in a material particular.

The Administrators' preliminary investigations do not reveal any evidence of any false or misleading statements.

9.6.3 False information

Pursuant to Section 1309 of the Act, it is an offence for an officer or employee to make available or give information to a director, auditor, member, debenture holder, or trustee for debenture holders of the company that is to the knowledge of the officer or employee:

- False or misleading in a particular matter; or

- Has omitted from it a matter the omission of which renders the information misleading in a material respect.

The Administrators' preliminary investigations do not reveal any evidence of any false information.

9.7 Summary of potential liquidator recoveries

Set out below is a summary of transactions that a liquidator would investigate further if the Company is placed into liquidation.

Potential Recovery Item	High \$	Low \$
Unfair preferences	\$5,852,472	Nil
Uncommercial transactions	Nil	Nil
Unfair loans	Nil	Nil
Voidable transactions – Related parties	Nil	Nil
Voidable charges	Nil	Nil
Compensation for breach of directors duties	Unascertained	Nil
Arrangements to avoid employee entitlements	Nil	Nil
Total	\$5,852,472	Nil

9.8 Directors' ability to pay a liquidator's claims

The value of any claims that a liquidator may have must be measured against the capacity of the Director to meet such claims.

As noted above, we have requested that the Director provide a statement of their individual financial position so that creditors could adequately consider, in the event of a winding up scenario, whether a liquidator would be able to recover any form of compensation for creditors generally. At the date of this report, no such statement has been forthcoming.

Our preliminary investigations (including public database searches) have revealed that the Director's net asset position is complex and subject to a mixture of personal and corporate interests, including significant personal guarantees provided by him, in respect to the secured creditors' debt, lease obligations and trade creditors' account. It appears his personal net assets positions would also depend on the outcome of any shortfall to the secured lenders.

Our preliminary investigation also indicates that the Company does not have a director's and officers' (D&O) insurance policy which may otherwise have responded to claims brought by a Liquidator.

Any future appointed liquidator would likely seek legal advice on these issues and conduct further investigations into this matter and possibly including a public examination of the Director to be able to ascertain his true net worth.

Accordingly, our preliminary view is that potential claims against the Director in a Liquidation scenario will not be viable.

9.9 Reports to the ASIC

Section 438D of the Act requires us to lodge a report with the ASIC should we become aware of:

- Any offences committed by a past or present officer of the Company;
- Evidence that monies or property has been misapplied or retained;
- Evidence that a party is guilty of negligence, default, breach of duty or breach of trust in relation to the Company.

We have not identified any offences that require reporting to the ASIC pursuant to Section 438D of the Act. We further note that in the event the Company is wound up, it is a requirement under Section 533 of the Act that a liquidator lodge an investigative report with the ASIC.

Creditors should be aware that any report lodged pursuant to Section 438D (or an investigative report lodged by a liquidator pursuant to Section 533 of the Act) is not available to the public.

10 Administrators opinion, dividend estimates and cost estimates

Pursuant to Section 439A(4)(b) of the Act, we are required to provide creditors with a statement setting out our opinion on whether it is in creditors' interests for the:

- Administration to end;
- Company to be wound up; or
- Company to execute a DOCA or
- For the second meeting of creditors to be adjourned for a period not exceeding forty-five (45) business days

Each of these options is considered below. In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option.

10.1 Administration to end

Creditors may resolve that the administration should end if it appears the Company is solvent or, for some other reason, control of the Company should revert to its directors.

Based on our preliminary investigations and analysis of the Company's financial information, the Company is insolvent. There appears to be no valid commercial reason why control of the Company should revert to its directors.

If the administration were to end, there is no mechanism controlling an orderly realisation of assets and distribution to creditors. In those circumstances, we are unable to say what the Company may ultimately pay creditors or what costs it might incur.

Therefore, our opinion is that it is not in the creditors' interest for the administration to end.

10.2 DOCA

We are of the opinion that the asset preservation / holding DOCA proposal put forward by the Director should not be accepted by creditors as we are unable, at this time, to provide the financial analysis to clarify / confirm that it will provide a more certain and potentially higher return to unsecured creditors than an orderly liquidation of the Company's assets. In addition, we do not recommend this course of action for the following reasons:

- We are not able to estimate the likely return from potentially voidable transactions (available in a liquidation, but not of in DOCA scenario) with any degree of certainty, as we have not been able to ascertain the net asset position of the Director and his ability repay any claims against him; and
- Certain estimates have been made as to the ERV of debtors and for the plant, equipment and stock pending completion under the BSA, hence we are presently unable to provide a meaningful analysis of the likelihood of the returns to creditors with any certainty.

Should creditors resolve to accept the DOCA at the Second Meeting, then we anticipate the costs of administering the future DOCA will be \$400,000 (plus GST) – indicative primarily of

the further work required to close out asset realisations and payment of employee entitlements plus assessment of creditors' claims.

10.3 Winding up of the Company

Based upon the information in this report, detailed in particular through Section 6 of the same, where the company is wound up, we are unable to determine with certainty whether any dividend would be payable to creditors. In the worst case, there will be no dividend in a liquidation scenario.

It will only be possible to provide an estimate of the likely return, and the timing of same, to creditors after the Company's assets have been realised.

We note that if the Company is placed into liquidation at the Second Meeting, priority creditors (employees) may be able to recover their outstanding entitlements (excluding unpaid superannuation) through FEG (not available in a DOCA).

For completeness, we note that there is a possibility that employees may benefit from a marginally faster return from a FEG scheme distribution (in relation to non-superannuation entitlements) in the event that the Company is placed immediately into liquidation. However, we also note that a distribution under the FEG scheme is likely to take the full estimated timeframe of sixteen weeks (four months) to advance funds to a liquidator, and we therefore would not expect to be able to distribute a return to employees prior to late January 2015 at the earliest.

The costs of winding up the company's affairs are estimated at \$500,000, though these costs would be considerably higher in the event that the potential claims referred to above at Section 9 of this report are pursued. We note that our costs as Administrator are entitled to be paid out in priority to creditors, and any realisations from assets, subject to payment of the Westpac's charge, would be applied initially to our outstanding fees and costs.

A liquidator would be in a position to conduct detailed investigations into the conduct of directors and the financial affairs of the Company. A liquidator will also be empowered to:

- Complete the sale of assets in an orderly manner.
- Assist employees in applying for FEG for the payment of certain employee entitlements (other than superannuation) that cannot otherwise be funded by the Company.
- Pursue various potential recoveries under the Act.
- Distribute recoveries made in accordance with the priority provisions of the Act.
- Report to the ASIC on the results of their investigations.

10.4 Adjournment of Second Meeting

In view of our comments in Section 10.1, 10.2 and 10.3 above, **we consider it would be in creditors' best interests to resolve to adjourn the meeting of creditors for a period not exceeding forty-five (45) business days** as it would enable the Administrators to:

- complete the terms of the BSA and conduct a more detailed analysis of the estimated assets available (if any) to the Company after the satisfaction of the Bank's debt and associated fees and charges;
- ascertain the ultimate amount recoverable from assets subject to circulating charge, i.e. debtors invoices and retention amounts including ascertain the extent of priority claims by employees;
- make further enquiries as to Directors' ability to repay any claims brought against him; and
- report back to creditors with sufficient information to accurately determine whether entering into a DOCA provides a better return to creditors as compared to an immediate winding-up of the Company.

In the event that creditors adopt that course, the Administrators will continue their interrogation of the Company's records with a view to a restructure of the Company, compile a supplementary report to creditors, in order that we may better inform creditors (and provide more certainly as to the assets values and potential recoveries which would lead to quantification as to the likely returns from the alternatives available). The reconvened second meeting of creditors would then be held on or before 9 December 2014.

It is difficult to estimate the cost of adjourning the meeting of creditors. During the period of the adjournment, some costs will be incurred in continuing investigations that would otherwise be undertaken in a liquidation, while other costs will relate more specifically reporting to creditors on the outcome of the investigation and to re-convening the second meeting of creditors (in the event that creditors resolve to adjourn the forthcoming meeting).

Our estimate of the marginal costs is \$250,000 (plus GST), upon which we would report to creditors in a supplementary report pursuant to section 439A of the Act in order that approval of such costs may then be considered by creditors.

11 Further information and enquiries

The ASIC has released several insolvency information sheets to assist creditors, employees and shareholders with their understanding of the insolvency process. You can access the relevant ASIC information sheet at www.asic.gov.au.

We will advise creditors in writing of any additional matter that comes to our attention after the release of this report, which in our view is material to creditors' consideration.

Should you have any enquiries, please contact either William Hulmes or Nirav Shah of this office.

Dated this 26th day of September 2014.



Martin Jones
Joint and Several Administrator

Glossary of terms

Abbreviation	Description
ACN	Australian Company Number
Act	Corporations Act 2001
Administrators	Martin Jones, Darren Weaver and Benjamin Johnson
APAAP	All present and after-acquired property – no exceptions
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
BSA	Business Sale Agreement entered into by KCCC
CB&I	CBI Constructors Pty Ltd
Central Systems	Central Systems Pty Ltd ACN 107 284 319
Code	ARITA Code of Professional Practice
Company / KCCC	Killarnee Civil & Concrete Contractors Pty Ltd (Administrators Appointed) ACN 085 230 486
Companies	KCCC, KCPL and KEH
Director	Ernest Paul Thompson
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code.
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
First Meeting	First meeting of creditors held on 10 September 2014
FY	Financial year
KCPL	Killarnee Contracting Pty Ltd (Administrators Appointed) ACN 109 535 686
KEH	Killarnee Equipment Holdings Pty Ltd (Administrators Appointed) ACN 125 969 502
Leighton	Leighton Contractors Pty Limited
NAB	National Australia Bank
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register
RATA	Report as to Affairs
Report	This report, prepared pursuant to s439A of the Act
s	Section of the Act
Second Meeting	Second meeting held pursuant to s439A of the Act, where creditors determine the future of the Company – to be held on 7 October 2014
Vantage Performance	Vantage Performance (WA) Pty Ltd
WBHO	WBHO Civil Pty Ltd
Westpac / the Bank	Westpac Banking Group

Annexure

A Administrators' Remuneration Approval Request Report

**Killarnee Civil & Concrete Contractors Pty Ltd (Administrators Appointed)
ACN 085 230 486 (the Company)**

Remuneration Approval Request Report

1 Declaration

We, Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson, have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of the Company in accordance with the Corporations Act 2001 (Cth) (**the Act**), the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**) and applicable professional standards.

We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

2 Executive summary

To date, no remuneration has been approved and paid in the administration of Killarnee Civil and Concrete Contractors Pty Ltd. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST) \$
Current remuneration approval sought:		
Voluntary Administration		
Resolution 1: 1 September 2014 to 21 September 2014	5.1	259,401
Resolution 2: 22 September 2014 to 7 October 2014	5.2	200,000
Total – Voluntary Administration*		\$459,401
Deed of Company Arrangement (if applicable)		
Resolution 3: 8 October 2014 to execution of DOCA	5.3	170,000
Resolution 4: Execution of DOCA to termination of DOCA	5.4	230,000
Total – Deed of Company Arrangement*		\$400,000
Liquidation (if applicable)		
Resolution 5: Commencement of liquidation to conclusion of Liquidation	5.5	500,000
Total – Liquidation*		\$500,000
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

3 Schedule of Hourly Rates & General Guide to Staff Experience

Title	Rate (\$)	Experience
Partner / Appointee	595	The Partner/Appointee is a registered liquidator and member of the ICAA and, generally, the IPA, bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Director / Specialist	510	Generally, minimum of 12 years' experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and, generally, the IPA, with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	465	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of the ICAA and, generally, the IPA; very strong knowledge of relevant insolvency legislation and issues.
Manager	400	Generally, 5-7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and generally, the IPA; sound knowledge of relevant insolvency legislation and issues.
Assistant Manager	360	Generally, 4-6 years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior Analyst	305	Generally, 2-4 years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA program. Good knowledge of basic insolvency legislation and issues.
Analyst	270	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Accountant	230	0 to 2 years' experience. Has completed or substantially completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Junior Accountant	150	0 – 1 years' experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes directions from senior staff in completing administrative tasks.
Personal / Team Assistant	180	Appropriate skills including machine usage.
Accounts Supervisor / Assistant	180	Generally non-qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.
Administration Supervisor / Assistant	140	Completed schooling and plans to undertake further studies. Required to assist in administration and day to day field work under the supervision of more senior staff.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to change from time to time. Creditor approval is sought in the resolution for the application of new rates to this administration at annual intervals with such increments to be more than 5% per annum to the prior year's hourly rates.
5. The hourly rates reflect the total cost of providing professional services and should **not** be compared to an hourly rate. See Part B1 for details of disbursements.

4 Description of Work Completed

Resolution 1

Company: Killarnee Civil & Concrete Contractors Pty Ltd
(Administrators Appointed)

Administration Type: Voluntary Administration

Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson

Period: 1 September 2014 to 21 September 2014

Task Area	General Description	Includes
Assets 133.2 hours \$54,658 (excl GST)	Sale of business as a going concern	<ul style="list-style-type: none"> • Work with the Buyer, contract principals, solicitors and other stakeholders in regard to the Business Sale Agreement (BSA). • Preparation of asset sale timetable. • Liaising with valuers and interested parties. • Reviewing list of assets which forms part of the BSA.
	Plant and equipment	<ul style="list-style-type: none"> • Liaising with valuers, auctioneers and interested parties. • Reviewing Company's asset register.
	Debtors	<ul style="list-style-type: none"> • Correspondence with debtors. • Reviewing and assessing receivables ledger. • Liaising with management regarding recoverability of debtors.
	Asset subject to specific charges	<ul style="list-style-type: none"> • Review of lease/rental contracts. • Preparing and comparing the fixed asset register with the hire purchase schedule. • Correspondence with various financiers. • Preparation of disclaimers, where appropriate.
	Leasing	<ul style="list-style-type: none"> • Reviewing leasing documents. • Liaising with owners/lessors. • Tasks associated with disclaiming leases.
	Stock	<ul style="list-style-type: none"> • Reviewing stock / inventory / consumables values. • Liaising with potential purchasers and ROT /PMSI claimants.
	Other assets	<ul style="list-style-type: none"> • Tasks associated with realising other assets.
Creditors 170.8 hours \$57,280 (excl GST)	Creditor enquiries	<ul style="list-style-type: none"> • Receive and follow up creditor enquiries via telephone and email. • Maintaining creditor enquiry register. • Review and prepare correspondence to creditors and their representatives via facsimile, email and post.
	Creditor reports	<ul style="list-style-type: none"> • Preparation of Circulars to Creditors. • Preparation of reports and updates to secured creditors. • Preparing section 439A report, investigations into Company's affairs including covering circular and remuneration reports. • Report to and meet with the Company's Banker.

Task Area	General Description	Includes
Employees 48.1 hours \$14,484 (excl GST)	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receipting and filing proofs of debt when not related to a dividend. • Corresponding with OSR and ATO regarding proofs of debt when not related to a dividend.
	Retention of title claims	<ul style="list-style-type: none"> • Receive initial notification of creditors' intention to claim. • Provision of retention of title claim form to creditor. • Receive completed retention of title claim form. • Adjudicate retention of title claim.
	First Meeting of creditors	<ul style="list-style-type: none"> • Preparation meeting notices, proxies and advertisements. • Forward notice of meeting to all known creditors/stakeholders. • Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. • Finalise and lodge minutes of meeting.
	Employee enquiries	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone. • Review and prepare correspondence to creditors and their representatives via facsimile, email and post.
	Calculation of entitlements	<ul style="list-style-type: none"> • Calculating employee entitlements. • Reviewing employee files and Company's books and records. • Reconciling superannuation accounts. • Reviewing awards and contracts (as applicable).
	Other employee issues	<ul style="list-style-type: none"> • Correspondence with Child Support agency.
Trade On 207.8 hours \$81,497 (excl GST)	Trade-on management	<ul style="list-style-type: none"> • OHS obligations – include liaison with HSE manager and external consultant. • Liaising with suppliers. • Liaising with management and staff. • Attendance on site at Karratha Depot and Tan Burrup. • Authorising purchase orders. • Maintaining purchase order registry. • Preparing and authorising receipt vouchers. • Preparing and authorising payment vouchers. • Authorising and facilitating payment of wages. • Liaising with OSR regarding payroll tax issues.
	Processing receipts and payments	<ul style="list-style-type: none"> • Entering receipts and payments into accounting system.
	Budgeting & financial reporting	<ul style="list-style-type: none"> • Reviewing the Company's budgets and financial statements. • Preparing budgets and cash flow forecast. • Meetings with management to discuss cash flow forecast.

Task Area	General Description	Includes
Investigation 35.1 hours \$12,211 (excl GST)	Conducting investigation	<ul style="list-style-type: none"> • Collection of Company books and records. • Reviewing Company's books and records. • Review and preparation of Company nature and history. • Conducting and summarising statutory searches. • Preparation of comparative financial statements. • Preparation of deficiency statement. • Review of specific transactions and liaising with directors regarding certain transactions. • Liaising with directors regarding certain transactions. • Commence preparation of investigation file.
	Planning / review	<ul style="list-style-type: none"> • Discussions regarding status / strategy of administration.
	Correspondence	<ul style="list-style-type: none"> • General correspondence.
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents. • File reviews. • Updating checklists.
	Insurance	<ul style="list-style-type: none"> • Assess crane incident reports and insurance requirements. • Identification of potential issues requiring attention of insurance specialists. • Correspondence with insurer broker regarding initial and ongoing insurance requirements. • Reviewing insurance policies. • Completion of workers compensation wages declaration.
Administration 123.0 hours \$39,272 (excl GST)	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence opening and closing accounts. • Requesting bank statements. • Bank account reconciliations. • Correspondence with bank regarding specific transfers.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 524, 5011, etc.
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment to ATO.

5 Calculation of remuneration

5.1: Resolution 1

Employee	Position	Rate (\$/Hour)	Total		Task Area											
			(Hrs)	(\$)	Assets		Creditors		Employees		Trade On		Investigation		Administration	
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
Martin Jones	Partner	595	56.6	33,677	13.3	7,914	7.1	4,225	-	-	21.4	12,733	-	-	14.8	8,806
Malcolm Field	Director	510	94.7	48,297	39	20,043	10.1	5,151	0.3	153	39.8	20,298	3.6	1,836	1.6	816
Sean Powell	Director	510	4.9	2,499	-	-	-	-	-	-	-	-	4.9	2,499	-	-
Kieran Chu	Manager	400	128.1	51,240	24.2	9,680	26.2	10,480	10.2	4,080	48.7	19,480	1.9	760	16.9	6,760
Lauren McCann	Assistant Manager	360	88.6	31,896	11.2	4,032	13.8	4,968	7.3	2,628	43.8	15,768	6.7	2,412	5.8	2,088
Miranda Stephens	Assistant Manager	360	2.5	900	-	-	-	-	-	-	2.5	900	-	-	-	-
Yvonne Liew	Assistant Manager	360	65.7	23,652	9.3	3,348	42.5	15,300	5.0	1,800	2.6	936	-	-	6.3	2,268
Ashleigh Weaver	Senior Analyst	305	18.3	5,582	-	-	8.2	2,501	-	-	-	-	-	-	10.1	3,081
William Hulmes	Analyst	270	38.4	10,368	6.2	1,674	4.7	1,269	0.1	27	2.5	675	14.1	3,807	10.8	2,916
Jason Soo	Analyst	270	29.8	8,046	28.4	7,668	-	-	-	-	0.3	81	-	-	1.1	297
Nirav Shah	Accountant	230	103.5	23,805	1.0	230	43.8	10,074	7.0	1,610	40.6	9,338	0.8	184	10.3	2,369
Max Gould	Accountant	230	43.3	9,959	0.3	69	3.6	828	0.9	207	2.4	552	2.0	460.0	34.1	7,843
William George	Accountant	230	34.0	7,820	-	-	10.8	2,484	17.3	3,979	3.2	736	1.1	253.0	1.6	368
Caldera/Titlestad	Personal/Team Assistant	180	7.6	1,368	-	-	-	-	-	-	-	-	-	-	7.6	1,368
Amy Jamieson	Accounts Supervisor/Assistant	180	0.3	54	-	-	-	-	-	-	-	-	-	-	0.3	54
Smith/Newland/Herriman	Admin Supervisor/Assistant	140	1.7	238	-	-	-	-	-	-	-	-	-	-	1.7	238
Total (excluding GST)			718.0	259,401	133.2	54,658	170.8	57,280	48.1	14,484	207.8	81,497	35.1	12,211	123.0	39,272
GST				25,940		5,466		5,728		1,448		8,150		1,221		3,927
Total (including GST)				285,341		60,123		63,007		15,932		89,647		13,432		43,199
Average Hourly Rate				361		410		335		301		392		348		319

Resolution 2

Company: Killarnee Civil & Concrete Contractors Pty Ltd
(Administrators Appointed)

Administration Type: Voluntary Administration

Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson

Period: 22 September 2014 to 7 October 2014

Task Area	General Description	Includes
Assets 102.0 hours \$40,420 (excl GST)	Plant and equipment	<ul style="list-style-type: none"> Continue to liaise with valuers and interested parties. Transfer in accordance with BSA (subject to negotiations).
	Debtors	<ul style="list-style-type: none"> Reviewing and assessing of recoverability of debtors.
	Asset subject to specific charges	<ul style="list-style-type: none"> Assignment/disclaimer of lease/rental contracts. Correspondence with various financiers.
	Other assets	<ul style="list-style-type: none"> Tasks associated with realising other assets.
Creditors 136.0 hours \$47,105 (excl GST)	Creditor enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone and email. Maintaining creditor enquiry register. Review and prepare correspondence to creditors and their representatives via facsimile, email and post. Correspondence with the Group's Banker.
	Creditor reports	<ul style="list-style-type: none"> Preparing section 439A report, investigation, meeting and general reports to creditors. Review draft DOCA proposal.
	Retention of title claims	<ul style="list-style-type: none"> Receive initial notification of creditors' intention to claim. Adjudicate retention of title claim. Forward correspondence to claimant notifying outcome of adjudication.
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend. Corresponding with OSR and ATO regarding proofs of debt when not related to a dividend.
	Second Meeting of creditors	<ul style="list-style-type: none"> Preparation meeting notices, proxies and advertisements. Forward notice of meeting to all known creditors. Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.
	Employee enquiries	<ul style="list-style-type: none"> Receive and follow up employee enquiries via telephone. Review and prepare correspondence to creditors and their representatives via facsimile, email and post.

Task Area	General Description	Includes
Employees 42.0 hours \$15,100 (excl GST)	Calculation of entitlements	<ul style="list-style-type: none"> • Calculating employee entitlements. • Reviewing employee files and Company's books and records. • Reconciling superannuation accounts. • Reviewing awards and contracts (as applicable).
	Other employee issues	<ul style="list-style-type: none"> • Correspondence with Child Support agency.
Trade On 139.0 hours \$52,510 (excl GST)	Trade-on management	<ul style="list-style-type: none"> • OHS obligations – include continued liaison with HSE manager and external consultant and implementation of recommendation. • Liaising with suppliers. • Liaising with management and staff • Authorising purchase orders. • Maintaining purchase order registry. • Preparing and authorising receipt vouchers. • Preparing and authorising payment vouchers. • Authorising and facilitating payment of wages. • Liaising with OSR regarding payroll tax issues.
	Processing receipts and payments	<ul style="list-style-type: none"> • Entering receipts and payments into accounting system.
	Budgeting & financial reporting	<ul style="list-style-type: none"> • Reviewing the Company's budgets and financial statements. • Preparing budgets and cash flow forecast. • Meetings with management to discuss cash flow forecast.
	Conducting investigation	<ul style="list-style-type: none"> • Collection of Company books and records. • Reviewing Company's books and records. • Review and preparation of Company nature and history. • Conducting and summarising statutory searches. • Preparation of comparative financial statements. • Review of specific transactions and liaising with director and CFO regarding certain transactions. • Liaising with directors regarding certain transactions. • Commence preparation of investigation file.
Investigation 35.0 hours \$12,905 (excl GST)		
Administration 90.1 hours \$31,960 (excl GST)	Planning / review	<ul style="list-style-type: none"> • Discussions regarding status / strategy of administration.
	Correspondence	<ul style="list-style-type: none"> • General correspondence.
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents. • First month administration review. • File reviews. • Updating checklists.
	Insurance	<ul style="list-style-type: none"> • Identification of potential issues requiring attention of insurance specialists. • Correspondence with insurer regarding initial and ongoing insurance requirements. • Correspondence with previous brokers.
	Bank account administration	<ul style="list-style-type: none"> • Requesting bank statements.

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Bank account reconciliations. • Correspondence with bank regarding specific transfers.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 524, 5011, etc. • Correspondence with ASIC regarding statutory forms.

5.2: Resolution 2

Employee	Position	Rate (\$/Hour)	Total		Task Area											
			(Hrs)	(\$)	Assets		Creditors		Employees		Trade On		Investigation		Administration	
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
Martin Jones	Partner	595	50.5	30,048	7.0	4,165	9.0	5,355	2.0	1,190	15.0	8,925	1.0	595	16.5	9,818
Malcolm Field	Director	510	80.0	40,800	32.5	16,575	9.5	4,845	2.0	1,020	20.0	10,200	8.0	4,080	8.0	4,080
Kieran Chu	Manager	400	71.0	28,400	7.0	2,800	15.0	6,000	7.5	3,000	25.0	10,000	6.0	2,400	10.5	4,200
Lauren McCann	Assistant Manager	360	78.5	28,260	12.5	4,500	20.0	7,200	10.0	3,600	26.5	9,540	4.0	1,440	5.5	1,980
Yvonne Liew	Assistant Manager	360	78.0	28,080	11.0	3,960	35.0	12,600	11.5	4,140	13.0	4,680	3.0	1,080	4.5	1,620
William Hulmes	Analyst	270	27.5	7,425	8.5	2,295	4.0	1,080	1.5	405	1.5	405	5.0	1,350	7.0	1,890
Jason Soo	Analyst	270	24.5	6,615	18.0	4,860	0.5	135	0.5	135	0.5	135	3.0	810	2.0	540
Nirav Shah	Accountant	230	76.0	17,480	0.5	115	25.0	5,750	5.0	1,150	35.5	8,165	-	-	10.0	2,300
Max Gould	Accountant	230	52.0	11,960	5.0	1,150	18.0	4,140	2.0	460	2.0	460	5.0	1,150	20.0	4,600
Caldera/Titlestad	Personal/Team Assistant	180	2.1	373	-	-	-	-	-	-	-	-	-	-	2.1	373
Smith/Newland/Herriman	Admin Supervisor/Assistant	140	4.0	560	-	-	-	-	-	-	-	-	-	-	4.0	560
Total (excluding GST)			544.1	200,000	102.0	40,420	136.0	47,105	42.0	15,100	139.0	52,510	35.0	12,905	90.1	31,960
GST				20,000		4,042		4,711		1,510		5,251		1,291		3,196
Total (including GST)				220,000		44,462		51,816		16,610		57,761		14,196		35,156
Average Hourly Rate				368		396		346		360		378		15,486		355

Resolution 3

Company: Killarnee Civil & Concrete Contractors Pty Ltd
Administration Type: Deed of Company Arrangement
Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson
Period: 8 October 2014 to execution of DOCA

Task Area	General Description	Includes
Assets 83.0 hours \$31,365 (excl GST)	DOCA	<ul style="list-style-type: none"> • Liaising with solicitors and DOCA proponents to execute DOCA. • Internal meetings to discuss / review offers received.
	Plant and equipment	<ul style="list-style-type: none"> • Liaising with valuers, auctioneers and interested parties (if applicable). • Reviewing asset listings.
Creditors 135.5 hours \$43,700 (excl GST)	Creditor enquiries	<ul style="list-style-type: none"> • Receive and follow up creditor enquiries via telephone and email. • Review and prepare correspondence to creditors and their representatives via facsimile, email and post. • Correspondence with committee of creditor's members (if any).
	Meeting of creditors	<ul style="list-style-type: none"> • Preparation and lodgement minutes of meetings with ASIC.
	Creditor reports/circulars	<ul style="list-style-type: none"> • Preparing circular to creditors following the second meeting confirming the outcome. • Preparation of reports and updates to secured creditors.
Employees 32.0 hours \$11,390 (excl GST)	Employee enquiries	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone. • Review and prepare correspondence to employees via facsimile, email and post.
	Trade-on management	<ul style="list-style-type: none"> • OHS obligations – include continued liaison with HSE manager and external consultant and implementation of recommendation. • Liaising with suppliers. • Liaising with management and staff • Authorising purchase orders. • Maintaining purchase order registry. • Preparing and authorising receipt vouchers. • Preparing and authorising payment vouchers. • Authorising and facilitating payment of wages. • Liaising with OSR regarding payroll tax issues.
Trade On 114.5 hours \$41,200 (excl GST)	Processing receipts and payments	<ul style="list-style-type: none"> • Entering receipts and payments into accounting system.
	Budgeting & financial reporting	<ul style="list-style-type: none"> • Reviewing the Company's budgets and financial statements. • Preparing budgets and cash flow forecast. • Meetings with management to discuss cash flow forecast.
Investigations 40.5 hours \$14,050 (excl GST)	Conducting investigations	<ul style="list-style-type: none"> • Closing out investigation files and associated documentation.
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents. • File reviews.

Task Area	General Description	Includes
Administration 78.2 hours \$28,295 (excl GST)	Bank account administration	<ul style="list-style-type: none"> • Updating checklists. • Preparing correspondence opening and closing accounts. • Requesting bank statements. • Bank account reconciliations. • Correspondence with bank regarding specific transfers.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms.
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment. • Preparing BASs.
	Planning / review	<ul style="list-style-type: none"> • Discussions regarding status / strategy of administration.

5.3: Resolution 3

Employee	Position	Rate (\$/Hour)	Total		Task Area											
					Assets		Creditors		Employees		Trade On		Investigation		Administration	
			(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
Martin Jones	Partner	595	39.0	23,205	5.0	2,975	7.0	4,165	2.0	1,190	3.0	1,785	2.0	1,190	20.0	11,900
Malcolm Field	Director	510	60.0	30,600	20.0	10,200	6.0	3,060	3.0	1,530	20.0	10,200	6.0	3,060	5.0	2,550
Kieran Chu	Manager	400	58.0	23,200	10.0	4,000	14.0	5,600	6.0	2,400	20.0	8,000	4.0	1,600	4.0	1,600
Lauren McCann	Assistant Manager	360	58.5	21,060	8.0	2,880	13.0	4,680	5.5	1,980	20.0	7,200	8.5	3,060	3.5	1,260
Yvonne Liew	Assistant Manager	360	62.0	22,320	7.0	2,520	29.0	10,440	4.5	1,620	15.0	5,400	2.0	720	4.5	1,620
William Hulmes	Analyst	270	39.5	10,665	12.0	3,240	9.5	2,565	3.0	810	5.0	1,350	5.0	1,350	5.0	1,350
Jason Soo	Analyst	270	24.5	6,615	18.0	4,860	2.0	540	0.5	135	0.5	135	2.0	540	1.5	405
Nirav Shah	Accountant	230	77.5	17,825	2.0	460	30.0	6,900	6.5	1,495	30.0	6,900	1.0	230	8.0	1,840
Max Gould	Accountant	230	58.0	13,340	1.0	230	25.0	5,750	1.0	230	1.0	230	10.0	2,300	20.0	4,600
Caldera/Titlestad	Personal/Team Assistant	180	5.7	1,030	-	-	-	-	-	-	-	-	-	-	5.7	1,030
Smith/Newland/Herriman	Admin Supervisor/Assistant	140	1.0	140	-	-	-	-	-	-	-	-	-	-	1.0	140
Total (excluding GST)			483.7	170,000	83.0	31,365	135.5	43,700	32.0	11,390	114.5	41,200	40.5	14,050	78.2	28,295
GST				17,000		3,137		4,370		1,139		4,120		1,405		2,829
Total (including GST)				187,000		34,502		48,070		12,529		45,320		15,455		31,124
Average Hourly Rate				351		378		323		356		360		347		362

Resolution 4

Company: Killarnee Civil & Concrete Contractors Pty Ltd
Administration Type: Deed of Company Arrangement
Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson
Period: Execution of DOCA to termination of DOCA

Task Area	General Description	Includes
Assets 206.0 hours \$76,615 (excl GST)	Debtors	<ul style="list-style-type: none"> Collection of debtors. Correspondence with debtors. Reviewing and assessing debtors ledgers. Liaising with debt collectors and solicitors.
	Other assets	<ul style="list-style-type: none"> Tasks associated with realising other assets pertaining to BAS and otherwise. Mediation in respect to recovery action with solicitors acting.
Creditors 143.0 hours \$49,005 (excl GST)	Creditor enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone and email. Maintaining creditor enquiry register. Review and prepare correspondence to creditors and their representatives via facsimile, email and post. Correspondence with committee of creditors members (if any).
	Creditor reports	<ul style="list-style-type: none"> Preparing general reports to creditors.
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend. Corresponding with OSR and ATO regarding proofs of debt when not related to a dividend.
	Meeting of creditors	<ul style="list-style-type: none"> Preparation meeting notices, proxies and advertisements. Forward notice of meeting to all known creditors. Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Preparation and lodgement minutes of meetings with ASIC. Respond to stakeholder queries and questions immediately following meeting.
	Employee enquiries	<ul style="list-style-type: none"> Receive and follow up employee enquiries via telephone. Review and prepare correspondence to creditors and their representatives via facsimile, email and post.
Employees 53.0 hours \$18,045 (excl GST)	Calculation of entitlements	<ul style="list-style-type: none"> Calculating employee entitlements. Reviewing employee files and Company's books and records. Reconciling superannuation accounts Reviewing awards and contracts (as applicable).

Task Area	General Description	Includes
Trade On 96.0 hours \$33,230 (excl GST)	Trade-on management	<ul style="list-style-type: none"> • OHS obligations – include continued liaison with HSE manager and external consultant and implementation of recommendation. • Liaising with suppliers. • Liaising with management and staff • Authorising purchase orders. • Maintaining purchase order registry. • Preparing and authorising receipt vouchers. • Preparing and authorising payment vouchers. • Authorising and facilitating payment of wages. • Liaising with OSR regarding payroll tax issues.
	Processing receipts and payments	<ul style="list-style-type: none"> • Entering receipts and payments into accounting system.
	Budgeting & financial reporting	<ul style="list-style-type: none"> • Reviewing the Company's budgets and financial statements. • Preparing budgets and cash flow forecast. • Meetings with management to discuss cash flow forecast.
	Correspondence	<ul style="list-style-type: none"> • General correspondence
Administration 172.0 hours \$53,105 (excl GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • First month, then six monthly administration review. • Filing of documents. • File reviews. • Updating checklists.
	Insurance	<ul style="list-style-type: none"> • Identification of potential issues requiring attention of insurance specialists. • Correspondence with insurer regarding initial and ongoing insurance requirements. • Reviewing and assessing insurance policies.
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence opening and closing accounts. • Requesting bank statements. • Bank account reconciliations. • Correspondence with bank regarding specific transfers.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 524, 5011, etc. • Correspondence with ASIC regarding statutory forms.
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment. • Preparing BAS's. • Completing group certificates.
	Finalisation	<ul style="list-style-type: none"> • Notifying ATO of finalisation. • Cancelling ABN / GST / PAYG registration. • Completing checklists. • Finalising WIP.
	Planning / review	<ul style="list-style-type: none"> • Discussions regarding status / strategy of administration.
	Books and records / storage	<ul style="list-style-type: none"> • Dealing with records in storage. • Sending job files to storage.

5.4: Resolution 4

Employee	Position	Rate (\$/Hour)	Total		Task Area									
					Assets		Creditors		Employees		Trade On		Administration	
			(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
Martin Jones	Partner	595	60.0	35,700	9.0	5,355	13.0	7,735	5.0	2,975	6.0	3,570	27.0	16,065
Malcolm Field	Director	510	74.0	37,740	41.0	20,910	12.0	6,120	2.0	1,020	11.0	5,610	8.0	4,080
Kieran Chu	Manager	400	60.0	24,000	26.0	10,400	7.0	2,800	7.0	2,800	12.0	4,800	8.0	3,200
Lauren McCann	Assistant Manager	360	83.5	30,060	28.0	10,080	15.5	5,580	9.0	3,240	24.0	8,640	7.0	2,520
Yvonne Liew	Assistant Manager	360	84.5	30,420	33.0	11,880	34.5	12,420	7.0	2,520	4.0	1,440	6.0	2,160
William Hulmes	Analyst	270	57.0	15,390	34.0	9,180	5.0	1,350	3.0	810	3.0	810	12.0	3,240
Jason Soo	Analyst	270	30.0	8,100	19.0	5,130	3.0	810	2.0	540	2.0	540	4.0	1,080
Nirav Shah	Accountant	230	108.0	24,840	8.0	1,840	31.0	7,130	11.0	2,530	24.0	5,520	34.0	7,820
Max Gould	Accountant	230	81.0	18,630	8.0	1,840	22.0	5,060	7.0	1,610	10.0	2,300	34.0	7,820
Caldera/Titlestad	Personal/Team Assistant	180	16.0	2,880	-	-	-	-	-	-	-	-	16.0	2,880
Smith/Newland/ Herriman	Admin Supervisor/ Assistant	140	16.0	2,240	-	-	-	-	-	-	-	-	16.0	2,240
Total (excluding GST)			670.0	230,000	206.0	76,615	143.0	49,005	53.0	18,045	96.0	33,230	172.0	53,105
GST				23,000		7,662		4,901		1,805		3,323		5,311
Total (including GST)				253,000		84,277		53,906		19,850		36,553		58,416
Average Hourly Rate				343		372		343		340		346		309

Resolution 5

Company: Killarnee Civil & Concrete Contractors Pty Ltd
(Administrators Appointed)

Administration Type: Creditors Voluntary Liquidation

Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson

Period: Commencement of Liquidation to completion of Liquidation

Task Area	General Description	Includes
Assets 294.0 hours \$107,780 (excl GST)	Plant and equipment	<ul style="list-style-type: none"> • Liaising with Buyer under the BSA, valuers, auctioneers and interested parties. • Reviewing asset listings.
	Debtors	<ul style="list-style-type: none"> • Collection of debtors.
	Asset subject to specific charges	<ul style="list-style-type: none"> • All tasks associated with realising a charged asset including liaising with financiers to determine strategy.
Creditors 215.0 hours \$72,075 (excl GST)	Creditor enquiries	<ul style="list-style-type: none"> • Receive and follow up creditor enquiries via telephone and email. • Maintaining creditor enquiry register. • Review and prepare correspondence to creditors and their representatives via facsimile, email and post. • Correspondence with Committee of Creditors (if any)
	Secured creditor reporting	<ul style="list-style-type: none"> • Preparing reports to secured creditor. • Responding to secured creditors' queries.
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receipting and filing proofs of debt when not related to a dividend. • Corresponding with OSR and ATO regarding proofs of debt when not related to a dividend.
	Creditor reports/circulars	<ul style="list-style-type: none"> • Prepare further reports to creditors.
	Meeting of creditors	<ul style="list-style-type: none"> • Preparation meeting notices, proxies and advertisements. • Forward notice of meeting to all known creditors/stakeholders. • Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.
Employees 128.5 hours \$46,595 (excl GST)	Employee enquiries	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone. • Maintain employee enquiry register. • Review and prepare correspondence to employees and their representatives via facsimile, email and post. • Preparation of letters to employees advising of their entitlements and options available.
	Calculation of entitlements	<ul style="list-style-type: none"> • Calculating employee entitlements. • Reviewing employee files and Company's books and records. • Reconciling superannuation accounts. • Reviewing awards and contracts (as applicable).
	FEG	<ul style="list-style-type: none"> • Correspondence with FEG.

Task Area	General Description	Includes
Trade On 134.0 hours \$48,920 (excl GST)	Other employee issues	<ul style="list-style-type: none"> • Correspondence with Child Support agency. • Correspondence with Centrelink.
	Trade-on management	<ul style="list-style-type: none"> • Liaising with suppliers and closing accounts. • Closing out remaining purchase orders. • Preparing and authorising receipt vouchers. • Preparing and authorising payment vouchers.
	Processing receipts and payments	<ul style="list-style-type: none"> • Entering receipts and payments into accounting system.
Investigation 308.0 hours \$100,275 (excl GST)	Conducting investigation	<ul style="list-style-type: none"> • Collection of Company books and records. • Reviewing Company's books and records. • Review and preparation of Company nature and history. • Conducting and summarising statutory searches. • Preparation of comparative financial statements. • Preparation of deficiency statement. • Review of specific transactions and liaising with directors regarding certain transactions. • Liaising with directors regarding certain transactions. • Preparation of investigation file.
	Examinations (if applicable)	<ul style="list-style-type: none"> • Preparing brief to solicitor. • Liaising with solicitor(s) regarding examinations. • Attendance at examination. • Reviewing examination transcripts. • Liaising with solicitor(s) regarding outcome of examinations and further actions available.
	Litigation / recoveries	<ul style="list-style-type: none"> • Internal meetings to discuss status of litigation. • Preparing brief to solicitor(s). • Liaising with solicitor(s) regarding recovery actions. • Attending to negotiations. • Attending to settlement matters.
	ASIC reporting	<ul style="list-style-type: none"> • Preparing statutory investigation reports. • Liaising with the ASIC.
	Processing proofs of debt	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting lodgement of PODs. • Receipt and adjudication of PODs. • Maintenance of POD register. • Request further information from claimants regarding POD. • Preparation of correspondence to claimant advising outcome of adjudication.
Dividend (if applicable) 142.0 hours \$44,795 (excl GST)	Dividend procedures	<ul style="list-style-type: none"> • Preparation of correspondence to creditors advising of intention to declare dividend. • Advertisement of intention to declare dividend. • Obtain clearance from ATO to allow distribution of Company's assets. • Preparation of dividend calculation. • Preparation of correspondence to

Task Area	General Description	Includes
Administration 245.2 hours \$79,560 (excl GST)		announcing declaration of dividend. • Advertise announcement. • Preparation of distribution and dividend file. • Preparation of payment vouchers to pay dividend. • Preparation of correspondence to creditors enclosing payment of dividend.
	Planning / review	• Discussions regarding status / strategy of administration.
	Correspondence	• General correspondence
	Document maintenance / file review / checklist	• Filing of documents. • File reviews. • Updating checklists.
	Insurance	• Identification of potential issues requiring attention of insurance specialists. • Correspondence with insurer broker regarding initial and ongoing insurance requirements. • Reviewing insurance policies. • Correspondence with previous brokers. • Completion of workers compensation wages declaration.
	Bank account administration	• Preparing correspondence opening and closing accounts. • Requesting bank statements. • Bank account reconciliations. • Correspondence with bank regarding specific transfers.
	ASIC Form 524 and other forms	• Preparing and lodging ASIC forms including 505, 524, 5011, etc.
	ATO and other statutory reporting	• Notification of appointment to ATO.

5.5: Resolution 5

Employee	Position	Rate (\$/Hour)	Total		Task Area													
					Assets		Creditors		Employees		Trade On		Investigation		Dividend		Administration	
			(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
Martin Jones	Partner	595	105.0	62,475	20.0	11,900	15.0	8,925	8.0	4,760	10.0	5,950	12.0	7,140	5.0	2,975	35.0	20,825
Malcolm Field	Director	510	167.0	85,170	42.0	21,420	15.0	7,650	30.0	15,300	20.0	10,200	25.0	12,750	5.0	2,550	30.0	15,300
Kieran Chu	Manager	400	128.5	51,400	30.0	12,000	15.0	6,000	8.0	3,200	36.0	14,400	19.5	7,800	5.0	2,000	15.0	6,000
Lauren McCann	Assistant Manager	360	222.5	80,100	30.0	10,800	45.0	16,200	16.5	5,940	16.0	5,760	55.0	19,800	40.0	14,400	20.0	7,200
Yvonne Liew	Assistant Manager	360	187.5	67,500	70.0	25,200	35.0	12,600	15.5	5,580	5.0	1,800	35.0	12,600	22.0	7,920	5.0	1,800
William Hulmes	Analyst	270	101.0	27,270	30.0	8,100	-	-	5.0	1,350	-	-	61.0	16,470	-	-	5.0	1,350
Jason Soo	Analyst	270	65.0	17,550	45.0	12,150	-	-	-	-	-	-	15.0	4,050	-	-	5.0	1,350
Nirav Shah	Accountant	230	245.5	56,465	15.0	3,450	50.0	11,500	35.0	8,050	45.0	10,350	35.5	8,165	20.0	4,600	45.0	10,350
Max Gould	Accountant	230	184.5	42,435	12.0	2,760	40.0	9,200	10.5	2,415	2.0	460	50.0	11,500	45.0	10,350	25.0	5,750
Caldera/Titlestad	Personal/Team Assistant	180	30.2	5,435	-	-	-	-	-	-	-	-	-	-	-	-	30.2	5,435
Smith/Newland/Herriman	Admin Supervisor/Assistant	140	30.0	4,200	-	-	-	-	-	-	-	-	-	-	-	-	30.0	4,200
Total (excluding GST)			1,466.7	500,000	294.0	107,780	215.0	72,075	128.5	46,595	134.0	48,920	308.0	100,275	142.0	44,795	245.2	79,560
GST				50,000		10,778		7,208		4,660		4,892		10,028		4,480		7,956
Total (including GST)				550,000		118,558		79,283		51,255		53,812		110,303		448		87,516
Average Hourly Rate				341		367		335		363		365		326		315		324

6 Statement of Remuneration Claim

Resolutions to be put to creditors at the meeting convened for 7 October 2014.

At the meeting of creditors convened for 7 October 2014, creditors will be asked to consider the following resolutions:

Resolution 1:

"That the remuneration of the Administrators, as set out in the Remuneration Request Approval Report dated 26 September 2014, for the period from 1 September 2014 to 21 September 2014 be fixed in the amount of \$259,401 (plus GST), and may be paid."

Resolution 2:

"That the remuneration of the Administrators, as set out in the Remuneration Request Approval Report dated 26 September 2014, for the period from 22 September 2014 to 7 October 2014 be fixed at the Ferrier Hodgson scale of rates (disclosed in this report) up to a maximum amount of \$200,000 (plus GST) but subject to upward revision by resolution of creditors, or the Committee of Creditors and that the Administrators be authorised to make monthly payments on account of such remuneration."

Please note that the above is an estimate only. If costs exceed the estimate, creditors will be advised accordingly and further approval of the Administrators remuneration will be sought in the future.

Where a Deed of Company Arrangement is accepted:

Resolution 3:

"That the remuneration of the Deed Administrators, as set out in the Remuneration Request Approval Report dated 26 September 2014, for the period from 8 October 2014 to the execution of the Deed of Company Arrangement be fixed at the Ferrier Hodgson scale of rates (disclosed in this report) up to a maximum amount of \$170,000 (plus GST) but subject to upward revision by resolution of creditors, or the Committee of Creditors and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Please note that the above is an estimate only. If costs exceed the estimate, creditors will be advised accordingly and further approval of the Deed Administrators remuneration will be sought in the future.

Resolution 4:

"That the remuneration of the Deed Administrators, as set out in the Remuneration Request Approval Report dated 26 September 2014, for the period from the execution of the Deed of Company Arrangement be fixed at the Ferrier Hodgson scale of rates (disclosed in this report) up to a maximum amount of \$230,000 (plus GST) but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred and to increase the applicable hourly rates for each staff "title" by up to 5% per annum reviewable at 1 July each year."

Please note that the above is an estimate only. If costs exceed the estimate, creditors will be advised accordingly and further approval of the Deed Administrators remuneration will be sought in the future.

Where the Company is placed into Liquidation:

Resolution 5:

"That the remuneration of the Liquidators, as set out in the Remuneration Request Approval Report dated 26 September 2014, for the period from 8 October 2014 to the conclusion of Liquidation be fixed at the Ferrier Hodgson scale of rates (disclosed in this report) up to a maximum amount of \$500,000 (plus GST) but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred and to increase the applicable hourly rates for each staff "title" by up to 5% per annum reviewable at 1 July each year."

Please note that the above is an estimate only. If costs exceed the estimate, creditors will be advised accordingly and further approval of the Liquidators remuneration will be sought in the future.

Remuneration approved and drawn to date

Creditors have not previously approved any remuneration of the Administrators.

7 Remuneration Recoverable from External Sources

The Administrators' have not received, and are not entitled to receive, any funding from external sources in respect of their remuneration.

8 Disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The relevant rates are set out overleaf:

Disbursements	Charges (excluding GST)
Advertising	At cost
Couriers	At cost
Mileage Reimbursement	\$0.76 per kilometre
Photocopying (colour)	\$0.50 per page
Photocopying (mono)	\$0.20 per page
Photocopying (outsourced)	At cost
Printing (colour)	\$0.50 per page
Printing (mono)	\$0.20 per page
Printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Storage and Storage Transit	At cost
Telephone Calls	At cost

The following disbursements have been incurred from the administration to Ferrier Hodgson for the period from 1 September 2014 to 21 September 2014.

Disbursements incurred	Basis	Total (excl GST) \$
Internal disbursements		
Photocopying – mono	95 pages @ \$0.20/page	19
Postage charges	At cost	263.2
Printing – mono	15,331 pages @ \$0.20/page	3,066.20
Printing – colour	801 pages @ \$0.50/page	400.5
Facsimile charges	At cost	1.2
Meals	At cost	153.41
Stationery	At cost	22.05
Taxi fares	At cost	104.5
Telephone Calls	At cost	63.09
Total		\$4,093.15

In relation to disbursements incurred (not paid) from the administration to Ferrier Hodgson for the period from 1 September 2014 to 21 September 2014, we advise the following:

- We have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.
- Where amounts have been paid to Ferrier Hodgson for externally provided services and costs, those payments are in reimbursement of costs previously paid by Ferrier Hodgson, either due to a lack of funds in the administration at the time the payment was due, or the direct invoicing of Ferrier Hodgson by the supplier.
- All of the transactions in the above table appear in the summary of receipts and payments at Part 10 as Appointee disbursements. Where payments to third parties are paid directly from the administration bank account, they are included in the summary of receipts and payments at Part 10.

- Creditor approval for the payment of disbursements is not required. However, the Administrators must account to creditors. Creditors have the right to question the incurring of disbursements and can challenge disbursements in court.
- Future disbursements provided by Ferrier Hodgson will be charged to the administration on the same basis as the table above.

9 Report on Progress of the Administration

The Remuneration Request Approval Report must be read in conjunction with the Administrator's report to creditors dated 26 September 2014 which outlines the progress of the administration.

10 Summary of Receipts and Payments

A summary of receipts and payments for the period 1 September 2014 to 24 September 2014 appears below:

Receipts and Payments for the period 1 September 2014 to 24 September 2014		Amount
Receipts		\$
Pre-appointment debtor collections		1,639,357
Post-appointment debtor collections		-
Advance by Central Systems		735,203
Total Receipts		2,374,560
Payments		
Freight costs		4,794
Subcontractors costs		9,662
Wages (Salaries)		77,535
Wages (WBHO)		197,987
Wages paid by Central Systems		761,187
Wages paid on behalf of Central Systems (Gorgon)		430,715
Employee reimbursements		636
Valuation fees		6,325
Total Payments		1,488,842
Net Receipts		\$885,718

11 Queries

If you require further information in respect of the above, or have any other queries, please contact Nirav Shah of this office on 08 9214 1444.

12 Information Sheet

The partners of Ferrier Hodgson are members of ARITA. Ferrier Hodgson follows the Code. A copy of the Code may be found on the ARITA website at www.arita.com.au.

An information sheet concerning approval of remuneration in external administrations can also be obtained from the ARITA website (<http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>).

Dated this 26th day of September 2014.



Martin Jones
Joint and Several Administrator
Killarnee Civil and Concrete Contractors Pty Ltd

Annexure

B Schedule of PPSA Registered Securities -Extract of Personal Property Securities Register (PPSR)

Registration Number	PMSI	Transitional	Migrated	Collateral class	Secured Parties
201112260029743	Yes	No	No	ALLPAPP - No exceptions	WESTPAC BANKING CORPORATION
201112280170754	Yes	Yes	No	ALLPAPP - No exceptions	WESTPAC BANKING CORPORATION
201301180063160	Yes	Yes	No	Motor Vehicle	AUTOMOTIVE HOLDINGS GROUP LIMITED
201201051470443	Yes	Yes	No	Other Goods	HILTI (AUST.) PTY. LTD.
201201300310261	Yes	Yes	No	Other Goods	CAPITAL FINANCE AUSTRALIA LIMITED
201201300312189	Yes	No	No	Other Goods	CAPITAL FINANCE AUSTRALIA LIMITED
201203080080825	Yes	No	No	Other Goods	BIG RIVER GROUP PTY LTD
201205220045213	Yes	Yes	No	Other Goods	VINIDEX PTY LIMITED
201210250055610	Yes	Yes	No	Motor Vehicle	ILHA PTY LTD, ILHA PTY LTD AS TRUSTEE FOR OSBORNE TRUCK RENTALS UNIT TRUST
201301160023607	Yes	No	No	Other Goods	TRU BLU HIRE AUSTRALIA PTY LTD
201301160049876	Yes	Yes	No	Motor Vehicle	TRU BLU HIRE AUSTRALIA PTY LTD
201301300061267	Yes	No	No	Other Goods	LAMINEX GROUP PTY LIMITED
201302210079936	Yes	Yes	No	Other Goods	REDSTAR EQUIPMENT PTY LTD, ONSITE RENTAL GROUP OPERATIONS PTY LTD
201306230001051	Yes	Yes	No	Other Goods	DM BREAKER EQUIPMENT PTY LTD
201307270010839	Yes	Yes	No	Other Goods	THE BLACKJACK TRUST, BLACKJACK HOLDINGS PTY LTD
201307270011762	Yes	Yes	No	Motor Vehicle	BLACKJACK HOLDINGS PTY LTD, THE BLACKJACK TRUST
201312070043251	Yes	Yes	No	Other Goods	GCS HIRE PTY LTD, GCS ACCESS PTY LTD, COASTAL HIRE PTY LTD, GCS RAPID ACCESS PTY LTD, GCS CONCRETE PUMPING PTY LTD, GCS INDUSTRIAL SERVICES PTY LTD, BFA INVESTMENTS PTY LTD, GCS BUDGET PORTABLES PTY LTD, GCS SECURITY SCAFFOLDING PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, C.A.S.C. CONSTRUCTIONS PTY. LTD.
201312070043694	Yes	Yes	No	Motor Vehicle	BFA INVESTMENTS PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, GCS CONCRETE PUMPING PTY LTD, GCS ACCESS PTY LTD, COASTAL HIRE PTY LTD, GCS RAPID ACCESS PTY LTD, GCS BUDGET PORTABLES PTY LTD, GCS SECURITY SCAFFOLDING PTY LTD, C.A.S.C. CONSTRUCTIONS PTY. LTD., GCS HIRE PTY LTD, GCS INDUSTRIAL SERVICES PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED

Registration Number	PMSI	Transitional	Migrated	Collateral class	Secured Parties
201312070043752	Yes	Yes	No	Other Goods	COASTAL HIRE PTY LTD, BFA INVESTMENTS PTY LTD, GCS INDUSTRIAL SERVICES PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, GCS HIRE PTY LTD, GCS RAPID ACCESS PTY LTD, GCS BUDGET PORTABLES PTY LTD, GCS ACCESS PTY LTD, GCS CONCRETE PUMPING PTY LTD, GCS SECURITY SCAFFOLDING PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, C.A.S.C. CONSTRUCTIONS PTY. LTD.
201312070044130	Yes	Yes	No	Motor Vehicle	GCS ACCESS PTY LTD, GCS BUDGET PORTABLES PTY LTD, GCS RAPID ACCESS PTY LTD, GCS HIRE PTY LTD, GCS INDUSTRIAL SERVICES PTY LTD, BFA INVESTMENTS PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, COASTAL HIRE PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, GCS SECURITY SCAFFOLDING PTY LTD, C.A.S.C. CONSTRUCTIONS PTY. LTD., GCS CONCRETE PUMPING PTY LTD
201312070044176	Yes	Yes	No	Motor Vehicle	GCS RAPID ACCESS PTY LTD, GCS CONCRETE PUMPING PTY LTD, GCS INDUSTRIAL SERVICES PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, COASTAL HIRE PTY LTD, GCS SECURITY SCAFFOLDING PTY LTD, C.A.S.C. CONSTRUCTIONS PTY. LTD., GCS BUDGET PORTABLES PTY LTD, BFA INVESTMENTS PTY LTD, GCS HIRE PTY LTD, GCS ACCESS PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD
201312070044468	Yes	Yes	No	Other Goods	GCS RAPID ACCESS PTY LTD, COASTAL HIRE PTY LTD, GCS SECURITY SCAFFOLDING PTY LTD, BFA INVESTMENTS PTY LTD, GCS HIRE PTY LTD, GCS CONCRETE PUMPING PTY LTD, GCS ACCESS PTY LTD, GCS BUDGET PORTABLES PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, GCS INDUSTRIAL SERVICES PTY LTD, C.A.S.C. CONSTRUCTIONS PTY. LTD.
201312070044481	Yes	Yes	No	Motor Vehicle	BFA INVESTMENTS PTY LTD, GCS HIRE PTY LTD, GCS CONCRETE PUMPING PTY LTD, GCS BUDGET PORTABLES PTY LTD, COASTAL HIRE PTY LTD, GCS ACCESS PTY LTD, GCS INDUSTRIAL SERVICES PTY LTD, GCS SECURITY SCAFFOLDING PTY LTD, GCS RAPID ACCESS PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, C.A.S.C. CONSTRUCTIONS PTY. LTD., GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD
201312070044842	Yes	Yes	No	Other Goods	GCS INDUSTRIAL SERVICES PTY LTD, BFA INVESTMENTS PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, GCS BUDGET PORTABLES PTY LTD, GCS HIRE PTY LTD, GCS CONCRETE PUMPING PTY LTD, GCS ACCESS PTY LTD, COASTAL HIRE PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, C.A.S.C. CONSTRUCTIONS PTY. LTD., GCS SECURITY SCAFFOLDING PTY LTD, GCS RAPID ACCESS PTY LTD
201401310132883	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310139197	Yes	Yes	No	Other Goods	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310141758	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310246695	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD

Registration Number	PMSI	Transitional	Migrated	Collateral class	Secured Parties
201401310246703	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310265924	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310265930	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310265948	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310265953	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310265969	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310284538	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310284555	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310284564	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310284572	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310284586	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310284593	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310284604	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310284615	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310284627	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310354495	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310354509	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310359691	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310359708	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310361452	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310361468	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310361475	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310361481	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD

Registration Number	PMSI	Transitional	Migrated	Collateral class	Secured Parties
201401310361499	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310363840	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310363855	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310363864	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310363886	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310366117	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310366129	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310366138	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310366140	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310368438	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310368440	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310368464	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310368472	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310368486	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310371567	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310371579	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310371580	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310371598	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310371607	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310373169	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310373182	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310373195	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310373202	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD

Registration Number	PMSI	Transitional	Migrated	Collateral class	Secured Parties
201401310374464	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310374472	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310374486	Yes	Yes	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310374493	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310374504	Yes	Yes	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201401310375535	Yes	No	No	Motor Vehicle	KILLARNEE EQUIPMENT HOLDINGS PTY LTD, KILLARNEE CONTRACTING PTY LTD
201401310375542	Yes	No	No	Motor Vehicle	KILLARNEE CONTRACTING PTY LTD, KILLARNEE EQUIPMENT HOLDINGS PTY LTD
201403270017357	Yes	No	No	Other Goods	ONESTEEL AUSTRALIAN TUBE MILLS PTY LIMITED, ONESTEEL WIRE PTY LIMITED, LITESTEEL TECHNOLOGIES PTY LTD, WHYALLA PORTS PTY LTD, COMMONWEALTH STEEL COMPANY PTY LIMITED, ONESTEEL RECYCLING PTY LIMITED, ONESTEEL MANUFACTURING PTY LIMITED, ARRIUM LIMITED, CENTRAL IRON PTY LTD, ONESTEEL TRADING PTY LIMITED, SOUTHERN IRON PTY LTD, ONESTEEL NSW PTY LIMITED, ONESTEEL COIL COATERS PTY LTD, THE AUSTRALIAN STEEL COMPANY (OPERATIONS) PTY LTD, ONESTEEL REINFORCING PTY LIMITED
201403270080417	Yes	No	No	Other Goods	FERO GROUP PTY LTD, FERO REINFORCING PTY LTD, FERO GROUP (QUEENSLAND) PTY LTD, FERO STRATA SYSTEMS PTY LTD
201404040101221	Yes	No	No	Motor Vehicle	GCS INDUSTRIAL SERVICES PTY LTD, GCS CONCRETE PUMPING PTY LTD, BFA INVESTMENTS PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, GCS HIRE PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, GCS BUDGET PORTABLES PTY LTD, C.A.S.C. CONSTRUCTIONS PTY. LTD., COASTAL HIRE PTY LTD, GCS RAPID ACCESS PTY LTD, GCS SECURITY SCAFFOLDING PTY LTD, GCS ACCESS PTY LTD
201404040101382	Yes	No	No	Motor Vehicle	GCS BUDGET PORTABLES PTY LTD, GCS RAPID ACCESS PTY LTD, GCS CONCRETE PUMPING PTY LTD, BFA INVESTMENTS PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, GCS ACCESS PTY LTD, GCS INDUSTRIAL SERVICES PTY LTD, C.A.S.C. CONSTRUCTIONS PTY. LTD., GCS SECURITY SCAFFOLDING PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, COASTAL HIRE PTY LTD, GCS HIRE PTY LTD
201404040101590	Yes	No	No	Other Goods	BFA INVESTMENTS PTY LTD, GCS HIRE PTY LTD, GCS INDUSTRIAL SERVICES PTY LTD, GCS ACCESS PTY LTD, GCS RAPID ACCESS PTY LTD, COASTAL HIRE PTY LTD, GCS BUDGET PORTABLES PTY LTD, GLOBAL CONSTRUCTION SERVICES LIMITED, C.A.S.C. CONSTRUCTIONS PTY. LTD., GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, GCS CONCRETE PUMPING PTY LTD, GCS SECURITY SCAFFOLDING PTY LTD

Registration Number	PMSI	Transitional	Migrated	Collateral class	Secured Parties
201404040101812	Yes	No	No	Other Goods	GLOBAL CONSTRUCTION SERVICES LIMITED, BFA INVESTMENTS PTY LTD, GCS INDUSTRIAL SERVICES PTY LTD, GCS RAPID ACCESS PTY LTD, C.A.S.C. CONSTRUCTIONS PTY. LTD., GCS BUDGET PORTABLES PTY LTD, GCS SECURITY SCAFFOLDING PTY LTD, GCS ACCESS PTY LTD, GLOBAL INDUSTRIAL SERVICES (AUST) PTY LTD, GCS CONCRETE PUMPING PTY LTD, COASTAL HIRE PTY LTD, GCS HIRE PTY LTD
201405220072646	Yes	Yes	No	Other Goods	PLASCORP PTY LTD
201407010091418	Yes	No	No	Motor Vehicle	RAW HIRE PTY LTD
201407010092113	Yes	Yes	No	Other Goods	RAW HIRE PTY LTD
201407010092624	Yes	No	No	Other Goods	RAW HIRE PTY LTD
201407010092648	Yes	Yes	No	Motor Vehicle	RAW HIRE PTY LTD

C ARITA creditor information sheet

Creditor Information Sheet

Offences, Recoverable transactions and Insolvent Trading



Offences

A summary of offences that may be identified by the administrator:

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties.
181	Failure to act in good faith.
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of his position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment.
206A	Contravening an order against taking part in management of a corporation.
206A, B	Taking part in management of corporation while being an insolvent under an administration.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of auditor.
314-7	Failure to comply with requirements for financial statement preparation.
437C	Performing or exercising a function or power as officer while a company is under administration.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

Voidable Transactions

Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Where a creditor receives a preferred payment, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under either the Corporations Act.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.



The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only have to have been entered into any time on or before the day when the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

Liquidators have the power to reclaim "unreasonable payments" made to directors by companies prior to liquidation. The provision relates to transactions made to, on behalf of, or for the benefit of, a director or close associate of a director. To fall within the scope of the section, the transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

Insolvent Trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they actually did so expect;
- they did not take part in management for illness or some other good reason; or,
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.