



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

**Supplementary Report by Administrators
Pursuant to Section 439A(4)(a) of the Corporations
Act 2001**

1 December 2014

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Annexure

- A Administrators' Remuneration Request Approval Report**
- B Updated Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)**

1. Executive summary

Darren Weaver, Ben Johnson and Martin Jones were appointed Joint and Several Administrators of the Company on 1 September 2014, pursuant to Section 436A of the Act.

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.

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).

Reference should be made to the First Administrators' Report dated 26 September 2014, a copy of which is available from the Ferrier Hodgson website at www.ferrierhodgson.com.

1.1. Second meeting of creditors

At the second meeting of creditors of the Company held on 7 October 2014, creditors resolved to adjourn the second meeting for a period not exceeding forty-five (45) business days pursuant to section 439B(2) of the Act to allow further time for 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. We noted that deferring the commencement of the winding up may result in the claims of employees being attended to by FEG at a later time and that on this basis, employees' interests may have been better served by an immediate liquidation of the Company. Our opinion was that deferring the decision provided an 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.

1.2. DOCA Proposal

Following the DOCA proposal from the Company's Director/Shareholder, Ernest Paul Thompson as indicated in the Administrators' report dated 26 September 2014, we had anticipated that the Director would submit a DOCA variation to the Administrators which could provide for the future operations of the Company, however, on 17 November 2014 the Director took up full-time employment with Central Systems. Further, having regard to the state of the Company's asset realisations, the quantum of the Company's liabilities, the costs of the administration and his limited personal financial capacity, the Director has advised that he is not

able to submit a DOCA proposal that would provide a better return to creditors than would be available in a liquidation scenario. Accordingly, a resolution to execute a DOCA will not be put to creditors.

At the reconvened second creditors meeting scheduled for Tuesday, 9 December 2014, creditors will decide on the Company's future in voting for one of the following options:

- That the Company should be wound up; **or**
- That the Administration should end and control of the Company reverts to the Directors.

2. Introduction

2.1. Purpose of Administrators' appointment and this report

The purpose of 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 to assist creditors to decide upon the Company's future.

Section 439A(4) of the Act explains the purpose of an Administrator's report in providing that the notice (of second meeting) must be accompanied by a copy of:

- (a) *A report by the Administrator about the company's business, property, affairs and financial circumstances; and*
- (b) *A statement setting out the Administrator's opinion about each of the following matters:*
 - (i) *Whether it would be in the creditors' interests for the company to execute a Deed of Company Arrangement;*
 - (ii) *Whether it would be in the creditors' interest for the administration to end;*
 - (iii) *Whether it would be in the creditors' interest for the company to be wound up;*

and also setting out:

 - (iv) *His or her reasons for those opinions; and*
 - (v) *Such other information known to the administrator as will enable the creditors to make an informed decision about each matter covered by subparagraph (i), (ii) or (iii); and*
- (c) *If a Deed of Company Arrangement is proposed – a statement setting out details of the proposed deed.*

In the available time, we have undertaken the preliminary investigations detailed in section 7 of this report and in the First Administrators' Report dated 26 September 2014. These investigations have assisted in forming an opinion about the Company's future. Our opinions are set out in section 10 of this report.

2.2. Second meeting of creditors

Pursuant to Section 439A of the Act, the second meeting of creditors of the Company was held on Tuesday, 7 October 2014 at the Holiday Inn Hotel 778 – 788 Hay Street, PERTH WA 6000 at 11:00am (AWST).

At that meeting, creditors resolved to adjourn the second meeting of creditors for a period not exceeding forty-five (45) business days pursuant to section 439B(2) of the Act to allow further time for 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. We noted that deferring the commencement of the winding up may result in the claims of employees being attended to by FEG at a later time and that on this basis, employees' interests may have been better served by an immediate liquidation of the Company. Our opinion was that deferring the decision provided an 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.

2.3. Reconvened Second Meeting of Creditors

The reconvened second meeting of creditors of the company has been scheduled for **Tuesday, 9 December 2014 and will be held at Ferrier Hodgson, Level 28, 108 St Georges Terrace, PERTH WA 6000 at 11:00am WST.**

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

- That the Company should be wound up; **or**
- That the administration should end and control of the Company reverts to its directors.

2.4. Remuneration

At a second meeting of creditors held on 7 October 2014, creditors approved the Administrators' remuneration for the period:

- 1 September 2014 to 21 September 2014 in the sum of \$259,401 (plus GST); and
- 22 September 2014 to 7 October 2014 in the sum of \$200,000 (plus GST).

The approved remuneration has not been drawn.

Pursuant to Section 446E of the Act, we enclose as **Annexure A** the Administrators' Remuneration Request Approval Report for details of the key tasks undertaken throughout the course of the administration along with a summary of the receipts and payments to date.

At the reconvened second meeting of creditors, we intend seeking approval of the remuneration set out in the remuneration report and summarised below. Details of disbursements incurred are also included in the remuneration report.

Period	Amount \$ (excluding GST)
Voluntary Administration 1 September 2014 to 21 September 2014	17,586
Voluntary Administration 8 October 2014 to 23 November 2014	279,604
Voluntary Administration 24 November 2014 to 8 December 2014	125,000
Total for Voluntary Administration period	\$422,190
If the company is placed into Liquidation: 9 December 2014 to the conclusion of the Liquidation	400,000

2.5. Non-disclosure of certain information

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

- Valuations of specific assets;
- Valuation of the business; and
- Commercially sensitive financial information (for example, legal claims, projections/forecasts).

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 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 dividends under the relevant options.

2.6. 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 meeting of creditors on 10 September 2014 and 7 October 2014.

An updated DIRRI is attached which clarifies that while Vantage Performance contacted us in the days before the appointment, the BSA entered into between the Company and Central Systems on 1 September 2014 ultimately called for our appointment.

3. Company information

Please refer to the Administrators' report dated 26 September 2014 for details regarding the company's history, statutory information and the directors' decision to appoint Administrators.

4. Historical financial information

Please refer to the Administrators' report dated 26 September 2014 for details regarding the Company's historical financial information which incorporates historical profit and loss results as well as historical balance sheets.

5. Statement by directors

Please refer to the Administrators' report dated 26 September 2014 for our detailed summary in respect to the Statement about the Company's business property, affairs and financials circumstances and Administrators' estimated realisable values of the Company's asset and liabilities.

5.1.1. Lot 1031 Mardie Road, Karratha Industrial Estate, WA 6714 (the Mardie Road Property)

At the date of this report, we have not commenced marketing of the Mardie Road Property. We have however, sought, albeit without success to date, to resolve the rent and outgoings arrears with the Tenant. The total arrears are currently in the region of \$91,000. In consultation with the Bank, we plan to commence marketing the property in December 2014.

5.1.2. Plant & Equipment

The Administrators have undertaken an auction sale for the surplus assets comprising consumables, workshop tools and inventories located at the Geraldton Depot at 37 Boyd Street, Geraldton via their appointed Auctioneers on 25 October 2014. A summary of the realisations is outlined below:

Description	Total (\$)
Sale	163,600.00
GST on sales	16,360.00
Subtotal	179,960.00
Less: Cost of realisations	
Vendors' Commissions	(14,483.27)
Accommodation	(2,755.00)
Advertising	(4,950.00)
Hire	(3,092.23)
Labour	(2,500.00)
GST on expenses	(2,778.05)
Subtotal	(30,558.55)
Total	\$149,401.45

For completeness, we note that the Administrators issued a notice on 3 November 2014 pursuant to section 443B(3) of the Act to disclaim the lease of the property.

5.1.3. Contingent assets – Downers’ Claim

As foreshadowed in the previous report, mediation for the disputed amounts for works associated with the Newman HV Power Supply Augmentation Project was scheduled for early November 2014.

At mediation, the calculation of the quantum of money owed to KCCC came into question. It was determined that the mediation be adjourned to early December (if required) to allow for a review of the calculations by the Administrators and for the preparation of additional material. Accordingly, an independent expert was engaged soon thereafter to prepare a supplementary report to identify the total amount owing by Downer to KCCC.

Since receiving the independent assessor’s report, we have submitted our revised assessment of the claim to Downer for their comment. Upon receipt of any comment or response from Downer, it is intended that the parties meet to determine whether a commercial settlement, alternatively the mediation will reconvene on 12 December 2014.

6. Trading by Administrators

6.1. Overview

Please refer to the Administrators’ report dated 26 September 2014 for details regarding the initial trading issues dealt with by the Administrators.

Since our last report to creditors we have undertaken the following key tasks:

- Transition of key contracts to the Buyer under the BSA – with the CB&I contract assigned effective 3 October 2014 (concurrent with Central Systems replacing KCCC’s \$2.4M Westpac bank guarantee in favour of CB&I) and the Leighton contract novated with effect 25 October 2014.
- Continued to liaise with key contractors for collection of outstanding receivables and completion of outstanding works.
- Assess ongoing requirement for equipment subject to hire purchase contract and providing updates to the relevant financiers;
- Where possible, non-required / surplus equipment has been sold and disclaimed;
- Meetings with Director and his advisors in relation to his DOCA proposal; and
- Review of the adequacy of the insurances policies of the Company.

6.1.1. Update on contracts (CB&I, WBHO, Leighton’s etc)

As noted above, the CB&I contract was assigned effective 3 October 2014, while the Leighton contract novated with effect 25 October 2014.

We continue to monitor the collection of debtor amounts and the sole remaining contractual works pertinent to the WBHO contract completion/exit. The works are expected to be completed by 9 December 2014, subject to site access limitations are which outside of KCCC’s control.

Our negotiations with WBHO continue positively, which in part lead to the final decision by Central Systems to replace the CB&I bank guarantee security in good faith on 3 October 2014 pending final documentation of and completion under the BSA.

6.2. Update as to the asset realisation process

Below is an update regarding the realisation process of the Company's assets:

6.2.1. Sale of business / assets progress

As previously reported, the Director entered into a BSA with Central Systems prior to our appointment on 1 September 2014.

As at the date of writing this report, negotiation with the Buyer is not complete, but in the interests of transparency and for the purposes of the estimated liquidation Statement of Position contained within this report, we summarise the key aspects of the BSA as follows including the payments to Central Systems based upon its assessment:

1. The Buyer to receive the benefit of the CB&I cash retention, which amount is applied against the employee entitlements taken on by the Buyer. We have received copies of employment contracts accepted by staff on the CB&I contract and otherwise transferring to the Leighton contract for Central Systems;
2. Central Systems pays out the Asset Leases (to the extent taken on);
3. Central Systems takes ownership of the Barrow Island based unencumbered plant (\$23k auction value) and the unencumbered inventory (\$22k auction value);
4. KCCC is to pay Central Systems \$492,360 as a fixed/agreed balancing amount in respect to points 1 to 3 above.
5. WBHO cash retention, estimated at \$440,000, to be available to Central Systems – effectively in order to cover the costs to Central Systems to replace the KCCC bank guarantee and the risk of remedial works during the warranty period.
6. KCCC to pay Central Systems \$454,773 in respect to the balance of the trading position – essentially to reflect the Buyer receiving the benefit of the revenue for the CB&I and Leighton contracts from and including 2 September 2014 after the reimbursement of the Administrators' costs incurred in respect to such contracts and agreed with Central Systems.

6.3. Summary of receipts and payments

A summary of the Administrators' receipts and payments for the period 1 September 2014 to 23 November 2014 is included within Part 10 of the Administrators' Remuneration Request Approval Report in **Annexure A**.

7. Statutory investigations

Please refer to the Administrators' report dated 26 September 2014 for full details regarding the Administrators' statutory investigations and potential recoveries available in a liquidation scenario.

For ease of reference, we summarise below the Administrators' preliminary determination of the likely date of insolvency of the company.

7.1. The Company's solvency

7.1.1. Summary of Preliminary Determination of Solvency

Assessment area	Date relevant to insolvency
Profitability	underdetermined
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	underdetermined

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.

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.

7.2. 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. Based upon our preliminary investigations, we have not identified any voidable transactions at this stage.

7.2.1. Unfair preferences

In our previous report, we estimated from our preliminary investigations that \$5.85M in potential recoveries from unfair preferences (against numerous creditors) would be available in a liquidation scenario. Again, we note that there is no guarantee that a liquidator will recover funds or that associated costs will not ultimately dissipate the benefit to creditors.

Notwithstanding the availability of potential claims, a liquidator would likely seek legal advice on the strength of a claim including the applicability of potential defences. It is likely any recovery action commenced by a liquidator would be defended. Therefore, costs are a major consideration.

7.3. Potential liquidator recoveries - insolvent trading

7.3.1. Director liability

We indicated it was likely that the Company was insolvent since 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 our previous report, we also highlighted (amongst other things) that, there are various defences contained in Section 588H, and that the Directors may argue that:

- No substantial debts which were incurred beyond this date (if they can substantiate that claim).
- They engaged professional advisers in or around early September regarding its financial position.
- They had a reasonable expectation that the Company was or would remain solvent due to ongoing businesses 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.

Further to our report dated 26 September 2014, we have performed a preliminary analysis of the potential insolvent trading claim against the Directors and based upon this analysis, the claim against them would be in the vicinity of \$1.0M to \$1.2M based upon an assumption that the Company was insolvent since June 2013.

Again, a liquidator would likely seek legal advice on these issues and conduct more investigations possibly including a public examination. It follows that the costs of proceeding with an insolvent trading action must be considered as does the personal financial capacity of the Directors to pay a judgement obtained against them (see section 7.5 below).

Presently based upon the estimates of the available assets/funds in the Company, there are insufficient funds available to meet the costs (both legal and professional) to pursue these claims.

Creditors should be aware that there are various third parties who provide litigation funding to pursue these types of claims, with the trade-off on risk and return. Such groups typically require a success based fee of 30% to 40% together with recovery of their legal and other costs which relate to the claim. Alternatively, creditors may fund the Liquidators' pursuit of a claim or obtain approval to pursue an insolvent trading claim in respect to their particular debt alone.

We note that under section 564 of the Act, if a creditor (or third-party litigation funder) provides an indemnity to meet the Liquidators' costs to instigate proceedings and property is recovered as a result of those proceedings, the Court may make an order as to the distribution of that property and the amount of those expenses so recovered with a view to giving an advantage to the indemnifying creditor, consideration of the risk assumed by them. Any creditor who wishes to discuss this in detail, please contact us.

We note the risk that an insolvent trading action may not be commercially viable having regard to the legal and liquidator costs associated with such litigation and the success fee typically charged by professional litigation firms.

7.4. Summary of potential liquidator recoveries

Set out overleaf is a summary of the potential recoveries by a liquidator in the event the Company is wound up:

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

7.5. Directors' ability to pay a liquidator's claims

The value of any claims that a liquidator may have (as set out above) must be measured against the capacity of the directors to meet such claims.

As noted above, we have since received a statement of the Director's 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.

A review of this document has revealed that the Director's financial position will be insufficient to meet any claims brought against him by the Liquidator. Indeed, the limited equity available in real estate is held by discretionary trusts and therefore would not be available to satisfy a claim. Further, the Director and the Company's internal accountant have advised that there is no directors' and officer's insurance cover in place (which may otherwise respond to such a claim).

8. Proposal for Deed of Company Arrangement (DOCA)

In our report dated 26 September 2014, we outlined a DOCA proposal for the reconstruction of the Company put forward by the Company's Director, Mr Ernest Paul Thompson ("the DOCA Proponent").

At that time, we recommended against the adoption of this DOCA as we were unable, at that time, to provide the financial analysis to clarify / confirm that it would provide a more certain and potentially higher return to unsecured creditors than an orderly liquidation of the Company's assets.

Whilst we initially anticipated that the Director would submit an updated version of the DOCA proposal to the Administrators, the Director has since advised that his circumstances are such that he is unable to put forward a proposal that would offer a better outcome to creditors than liquidation of the Company. Therefore, this option is not available to creditors.

9. Creditors' options, dividends estimates & 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 the creditors' interests for the:

- Administration to end;
- Company to be wound up; or,
- Company to execute a DOCA.

There is no proposal for a DOCA. Accordingly, creditors have the options of resolving that the administration end or resolving that the Company be wound up.

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

9.1. 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. Accordingly, there appears to be no valid commercial reason why control of the Company should revert to its director.

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 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. It is appropriate that the Company's affairs be dealt with under Part 5.3A of the Act under the options detailed in Section 9.2 below.

This section has been left blank intentionally.

9.2. Winding up of Company

Based upon the information in this report, where the Company is wound up, we estimate the likely return to creditors as follows:

Description	Liquidation (\$)
Assets Subject to Circulating Charges	
Administrators' trading surplus (estimated)	1,920,787
Central's claim purchase price adjustment	(947,133)
Total Assets Subject to Circulating Charge	973,654
Less: Cost of the Administration	
Administrators' Fees (estimated)	(850,670)
Administrators' Disbursements (estimated)	(70,000)
Liquidators' Fees (estimated)	(400,000)
Liquidators' Disbursements (estimated)	(10,000)
Total Administration Cost	(1,330,670)
Balance of Administration Cost	(357,016)
Less: Priority Creditors	
Superannuation owing to Gorgon weekly and fortnightly	(499,716)
Employee Entitlements (Gorgon resigned and non-Gorgon) - SUPER	(390,417)
Employee Entitlements (Gorgon resigned and non-Gorgon) - NON SUPER	(301,682)
Employee Entitlements (Gorgon resigned and non-Gorgon) - On costs	(110,890)
Total Priority Creditors	(1,302,705)
Surplus / (Deficit) of Circulating Charge Assets	(1,659,721)
Assets Subject to Non-Circulating Charges	
Property at Lot 1031, Mardie Road, Karratha	1,200,000
Less: Estimated realisation cost	(60,000)
Less: Westpac overdraft balance	(1,250,000)
Less: Westpac overdraft interest (estimated)	(52,979)
Plant & Equipment	105,480
Less: Estimated realisation cost	(7,911)
Total Contingent Assets	Unascertained
Deficit after satisfaction of Secured Creditor (Westpac)'s Claim	Unascertained
Total Funds available after Priority Claims & Secured Creditor's Claim	Unascertained
Total Voidable Transaction & Other Recoveries (see section 7)	Unascertained
Total Funds Available to Ordinary Unsecured Creditors	Unascertained
Less: Unsecured Creditors	
Trade Creditors	(2,868,807)
Australian Taxation Office	(6,010,309)
Payroll Tax	(500,304)
Excluded employee entitlements over capped amount	(55,730)
Related party creditors (KEH, KCPL and KGPL)	(1,693,807)
Related party creditors (Beneficiary Entitlements)	(1,920,137)
Contingent Claim - Downers	Unascertained
Financiers' shortfall guarantees (estimated)	(448,907)
Total Unsecured Claims	(13,498,000)
Estimated Surplus / (Deficiency)	Unascertained
Estimated Dividend Rate (cents in the \$)	NIL

The above analysis provides creditors with a snapshot of the potential realisable value of the assets if the Company were wound up. There would be no return to unsecured creditors due to:

- The amount owed to the secured creditors;
- Extent of employee entitlements;
- Costs of administration and liquidation.

We also note that the above dividend calculations are an estimate only and may change due to:

- The amounts realised from the sale of assets, if any.
- Total liabilities once proofs of debt are lodged and adjudicated upon.
- Costs of litigation (for example, in recovering assets, debtors and voidable transactions, if applicable).
- Costs of the administration and liquidation resulting from additional issues arising.

The costs of winding up the company's affairs are estimated at \$400,000 (plus GST), though these costs would be considerably higher in the event that possible causes of action and/or recoveries from the voidable and other transactions referred to above at Section 7 of this report are identified (and pursued) in future.

We note that our costs as Administrators and Liquidators 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 (if any) in an orderly manner.
- 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.

For completeness, we note that employees will benefit from a more timely 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 (16) weeks (four (4) months) to advance funds to a liquidator, and we therefore would not expect to be able to distribute a return to employees until April 2015.

Employees who have queries in regard to their rights may obtain information from FEG by visiting their website at <http://deewr.gov.au/fair-entitlements-guarantee-feg> or ring the FEG Hotline 1300 135 040. We also note that it is the Department's preferred option that employees lodge their claim for FEG assistance online at FEG Online Services <https://extranet.deewr.gov.au/feg>. Paper copies of the claim forms are also available from the website or our office should you require a copy.

Any return to unsecured creditors will be dependant upon the successful recoveries of any antecedent voidable transactions and/or contingent claim against Downers. We note that at present, as noted in Section 7 above, we are not able to estimate the likely return from potentially voidable transactions with any degree of certainty for the following reasons:

- Our preliminary analysis indicates that there are potential claims for unfair preferences of approximately \$5.85M.
- In Liquidation, in order to “firm up” the cause of action for the recovery of unfair preferences and the insolvent trading claim, a Liquidator would likely seek legal advice on these issues and conduct more investigations possibly including a public examination of the relevant company officers (i.e. the Directors or their close associates/advisors). At present, we are without funds to meet the costs (both legal and professional) to pursue these claims and may be reliant on a third-party litigation funder (or creditors) to potentially fund the cost of such recoveries, based upon their analysis of the merits of such claims with a trade-off on risk and return. That is, absent an appropriate commercial based settlement with the Directors.
- In a liquidation, the professional cost and legal cost is higher (as contrasted to a DOCA scenario) to reflect the additional work required to investigate and pursue the recoveries of these transactions. Creditors should also be aware of the inherent risks associated with litigation and be warned that the outcome of such actions are not guaranteed.

For the reasons outlined above, **we recommend that creditors resolve to wind-up the Company** at the forthcoming reconvened second meeting of creditors, in order that the Liquidators may look into and progress claims for recoveries of antecedent transactions for preferences and insolvent trading claims against the Directors.

10. Administrators' opinion

As stated in section 9.1 above, the option of the administration ending is clearly not viable. The only remaining option available to creditors is to wind up the Company.

From the information set out in section 9.2 of this report, we estimate that the return to creditors should the company be wound up is likely to be nil.

Having regard to the above, it is our opinion that **creditors should resolve that the Company be wound up at the second meeting of creditors.**

11. Further queries

We will advise creditors in writing, if practicable, of any additional matter that comes to our attention after the dispatch of this report that, in our view, is material to creditors' deliberations.

In the meantime, should creditors have any queries, please do not hesitate to contact Nirav Shah of this office by telephone on (08) 9214 1444 or by email at Nirav.Shah@fh.com.au.

DATED this 1st day of December 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 Request Approval Report

*Corporations Act 2001
Section 449E*

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

Remuneration Request Approval 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, \$459,401 has been approved but not paid in the administration of KCCC. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST) (\$)
Past remuneration approved:		
Voluntary Administration		
1 September 2014 to 21 September 2014		259,401
22 September 2014 to 7 October 2014		200,000
Total – Past remuneration approved		\$459,401
Current remuneration approval sought:		
Voluntary Administration		
Resolution 1:		
1 September 2014 to 21 September 2014	4.1	17,586
Resolution 2:		
8 October 2014 to 23 November 2014	4.2	279,604
Resolution 3:		
24 November 2014 to 8 December 2014	4.3	125,000
Total – Voluntary Administration*		\$422,190
Liquidation		
Resolution 3:		
9 December 2014 to conclusion of Liquidation	4.3	400,000
Total – Liquidation*		\$400,000

* 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.

2.1 Comparison to estimate of costs provided in Initial Advice to Creditors

The remuneration approval sought differs to the estimate of costs provided in our statement regarding remuneration dated 2 September 2014 for the following reasons:

- Significant negotiation and analysis work was required to be completed to identify the benefits of the Business Sale Agreement (BSA) for creditors.
- Additional debtor recovery action was taken in an attempt to recover outstanding amounts.
- The BSA originally contemplated completion in early October, however at the time of writing it has not been finalised. In that regard it should be noted that six (6) variation deeds were prepared and executed.
- Due to the non-completion of the BSA and subsequent adjournment of the second meeting of creditors further trading activities were undertaken.

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. 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

4.1 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 153.4 hours \$64,945 (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 BSA. Preparation of asset sale timetable. 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. Liaise with real estate agent, solicitors and tenant for the Mardie Road property in respect of non-payment of rent. Reviewing and assessing receivables ledger. Consider possible enforcement action to recover Mardie Road rent arrears and outstanding debtors from Transcale and UAP. 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. 	
	Other assets	<ul style="list-style-type: none"> Tasks associated with realising other assets. 	
	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. 	
	Creditors		
	174.5 hours \$59,167 (excl GST)	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. Meet with the Company's Banker - Westpac.

Task Area	General Description	Includes
	Secured creditor reporting	<ul style="list-style-type: none"> Meet with representatives from Westpac to discuss ongoing operations. Prepare and issue reports to Westpac advising of status of administration. Liaise with secured creditor to obtain support for trading obligations.
	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.
	Creditor meetings	<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.
Employees	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.
48.1 hours \$14,484 (excl GST)	Other employee issues	<ul style="list-style-type: none"> Correspondence with Child Support agency.
	Trade-on management	<ul style="list-style-type: none"> Liaising with suppliers. Liaising with management and staff. Attendance on site at Karratha Depot and Tan Burrup. Authorising purchase orders and 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	Processing receipts and payments	<ul style="list-style-type: none"> Entering receipts and payments into accounting system.
212.8 hours \$84,047 (excl GST)		

Task Area	General Description	Includes
	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.
Investigation	Litigation / mediation	<ul style="list-style-type: none"> Liaising with solicitors regarding Downer claim. Completion of statement of claim and amended defence. Correspondence with Downer's solicitors.
36.3 hours \$12,823 (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. 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		
126.9 hours \$41,522 (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.

Calculation of remuneration

4.1: 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	60.2	35,819	13.3	7,914	7.1	4,225	-	-	21.4	12,733	-	-	18.4	10,948
Malcolm Field	Director	510	124.7	63,597	59.4	30,294	13.8	7,038	0.3	153	44.8	22,848	4.8	2,448	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
Bob Bickford	Assistant Manager	360	0.3	108	-	-	-	-	-	-	-	-	-	-	0.3	108
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	65.8	23,688	9.4	3,384	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	Team Assistant	180	7.6	1,368	-	-	-	-	-	-	-	-	-	-	7.6	1,368
Amy Jamieson	Accounts assistant	180	0.3	54	-	-	-	-	-	-	-	-	-	-	0.3	54
Smith/Newland/ Herriman	Admin Assistant	140	1.7	238	-	-	-	-	-	-	-	-	-	-	1.7	238
Total (excluding GST)			752.0	276,987	153.4	64,945	174.5	59,167	48.1	14,484	212.8	84,047	36.3	12,823	126.9	41,522
GST				27,699		6,494		5,917		1,448		8,405		1,282		4,152
Total (including GST)				304,685		71,439		65,083		15,932		92,452		14,105		45,674
Average Hourly Rate				368		423		339		301		395		353		327

Breakdown of fee approval sought for the period 1 September 2014 to 21 September 2014.

Fee Approval Sought	Amount \$
Past remuneration approved	259,401
Actual fees incurred	276,987
Balance of unapproved fees	\$ 17,586

4.2 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: 8 October 2014 to 23 November 2014

Task Area	General Description	Includes
Assets 233.7 hours \$101,587 (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 BSA. Preparation of asset sale timetable. 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. Correspondence with solicitors regarding disputed amount with UAP. Meeting with Mardie Road tenant in respect of rent arrears. Correspondence with Transcale regarding collection of moulds and payment of outstanding invoice.
	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.
	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.
	Creditors 71.7 hours \$23,390 (excl GST)	Creditor reports
	Secured creditor reporting	<ul style="list-style-type: none"> Prepare and distribute correspondence with the Company's secured creditor.
	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.

Task Area	General Description	Includes
Employees 76.2 hours \$25,730 (excl GST)	Creditor meetings	<ul style="list-style-type: none"> Finalise and lodge minutes of second creditors 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.
	Other employee issues	<ul style="list-style-type: none"> Correspondence with Child Support agency.
Trade On 295.9 hours \$98,366 (excl GST)	Trade-on management	<ul style="list-style-type: none"> 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.
	Litigation / mediation	<ul style="list-style-type: none"> Liaising with solicitors regarding Downer claim. Completion of statement of claim. Correspondence with Downer. Attend strategy meetings with counsel and solicitors. Attend mediation meeting. Prepare correspondence with independent expert.
Investigation 23.4 hours \$10,185 (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. 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 ongoing insurance requirements.
Administration 60.9 hours \$20,348 (excl GST)		

Task Area	General Description	Includes
	Bank account administration	<ul style="list-style-type: none"> • 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 form 5011.
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Preparing Business Activity Statements (BASs).

4.2: 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	53.4	31,773	30.5	18,148	-	-	-	-	2.7	1,607	7.5	4,463	12.7	7,557
Darren Weaver	Partner	595	0.2	119	-	-	-	-	-	-	0.2	119	-	-	-	-
Malcolm Field	Director	510	142.4	72,624	80.5	41,055	6.9	3,519	6.0	3,060	46.8	23,868	1.2	612	1.0	510
Kieran Chu	Manager	400	114.6	45,840	29.0	11,600	7.9	3,160	5.1	2,040	65.6	26,240	-	-	7.0	2,800
Bob Bickford	Assistant Manager	360	0.1	36	-	-	-	-	-	-	-	-	-	-	0.1	36
Lauren McCann	Assistant Manager	360	93.7	33,732	44.5	16,020	0.3	108	1.1	396	32.6	11,736	13.3	4,788	1.9	684
Miranda Stephens	Assistant Manager	360	2.5	900	-	-	-	-	-	-	-	-	-	-	2.5	900
Yvonne Liew	Assistant Manager	360	87.9	31,644	17.2	6,192	20.1	7,236	42.2	15,192	5.2	1,872	-	-	3.2	1,152
Darren Xu	Analyst	270	0.2	54	-	-	-	-	-	-	-	-	-	-	0.2	54
William Hulmes	Analyst	270	23.4	6,318	1.7	459	19.3	5,211	0.1	27	0.8	216	-	-	1.5	405
Jason Soo	Analyst	270	36.8	9,936	28.6	7,722	5.0	1,350	0.6	162	1.2	324	-	-	1.4	378
Nirav Shah	Accountant	230	162.8	37,444	1.7	391	10.7	2,461	4.8	1,104	134.3	30,889	0.5	115	10.8	2,484
Max Gould	Accountant	230	23.9	5,497	-	-	1.5	345	11.0	2,530	6.5	1,495	0.9	207.0	4.0	920
William George	Accountant	230	5.7	1,311	-	-	-	-	5.3	1,219	-	-	-	-	0.4	92
Kroon/Titlestad	Personal/Team Assistant	180	3.3	594	-	-	-	-	-	-	-	-	-	-	3.3	594
Amy Jamieson	Accounts Supervisor/Assistant	180	6.4	1,152	-	-	-	-	-	-	-	-	-	-	6.4	1,152
Newland/ Herriman	Admin Supervisor/ Assistant	140	4.5	630	-	-	-	-	-	-	-	-	-	-	4.5	630
Total (excluding GST)			761.8	279,604	233.7	101,587	71.7	23,390	76.2	25,730	295.9	98,366	23.4	10,185	60.9	20,348
GST				27,960		10,159		2,339		2,573		9,837		1,018		2,035
Total (including GST)				307,564		111,745		25,729		28,303		108,202		11,203		22,382
Average Hourly Rate				367		435		326		338		332		435		334

4.3 Resolution 3

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: 24 November 2014 to 8 December 2014

Task Area	General Description	Includes
Assets 63.0 hours \$23,255 (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 85.0 hours \$28,620 (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.
	Creditor reports	<ul style="list-style-type: none"> Preparing section 439A report, investigation, meeting and general reports to creditors. Preparation of reports and updates to secured creditors.
	Secured creditor reporting	<ul style="list-style-type: none"> Correspondence with the Group's Banker - Westpac.
	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.
	Creditors meeting	<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.
Employees 35.5 hours \$12,670 (excl GST)	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).

Task Area	General Description	Includes
	Other employee issues	<ul style="list-style-type: none"> Correspondence with Child Support agency.
	Trade-on management	<ul style="list-style-type: none"> 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		
68.0 hours		
\$27,020		
(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. Updating cash flow forecast. Meetings with management to discuss cash flow forecast.
Investigation	Litigation / mediation	<ul style="list-style-type: none"> Liaising with solicitors regarding Downer claim. Correspondence with Downer. Engage and liaise with independent expert to assess claim. Attend commercial meeting with solicitors and Downers.
27.0 hours		
\$13,545		
(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. File reviews. Updating checklists.
Administration	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.
60.9 hours		
\$19,890		
(excl GST)		
	Bank account administration	<ul style="list-style-type: none"> 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 form 524. Correspondence with ASIC regarding statutory forms.

4.3: Resolution 3

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	43.0	25,585	5.0	2,975	7.0	4,165	2.0	1,190	8.0	4,760	15.0	8,925	6.0	3,570
Malcolm Field	Director	510	39.0	19,890	10.0	5,100	7.0	3,570	2.0	1,020	12.0	6,120	2.0	1,020	6.0	3,060
Kieran Chu	Manager	400	41.5	16,600	7.0	2,800	7.0	2,800	7.5	3,000	15.0	6,000	-	-	5.0	2,000
Lauren McCann	Assistant Manager	360	51.5	18,540	9.0	3,240	12.0	4,320	7.0	2,520	8.0	2,880	10.0	3,600	5.5	1,980
Yvonne Liew	Assistant Manager	360	43.0	15,480	8.0	2,880	12.5	4,500	7.0	2,520	11.0	3,960	-	-	4.5	1,620
William Hulmes	Analyst	270	23.0	6,210	8.5	2,295	4.0	1,080	2.0	540	1.5	405	-	-	7.0	1,890
Jason Soo	Analyst	270	24.5	3,780	10.0	2,700	0.5	135	1.0	270	0.5	135	-	-	2.0	540
Nirav Shah	Accountant	230	51.0	11,730	0.5	115	25.0	5,750	5.0	1,150	10.0	2,300	-	-	10.5	2,415
Max Gould	Accountant	230	27.0	6,210	5.0	1,150	10.0	2,300	2.0	460	2.0	460	-	-	8.0	1,840
Caldera/Titlestad	Personal/Team Assistant	180	2.1	376	-	-	-	-	-	-	-	-	-	-	2.1	376
Smith/Newland/Herriman	Admin Supervisor/Assistant	140	4.3	599	-	-	-	-	-	-	-	-	-	-	4.3	599
Total (excluding GST)			349.9	125,000	63.0	23,255	85.0	28,620	35.5	12,670	68.0	27,020	27.0	13,545	60.9	19,890
GST				12,500		2,326		2,862		1,267		2,702		1,355		1,989
Total (including GST)				137,500		25,581		31,482		13,937		29,722		14,900		21,879
Average Hourly Rate				357		369		337		357		397		16,254		327

4.4 Resolution 4

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: 9 December 2014 to completion of Liquidation

Task Area	General Description	Includes
Assets	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.
237.0 hours \$87,110 (excl GST)	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.
	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 Inspection (if any).
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.
	Secured creditor reporting	<ul style="list-style-type: none"> • Preparing reports to secured creditor. • Responding to queries.
	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. • Preparation of annual meetings (if applicable). • Meeting with Committee of Inspection (if applicable).
153.0 hours \$51,140 (excl GST)	Employee enquiries	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone. • Review and prepare correspondence to employees and their representatives via facsimile, email and post. • Preparation of letters to employees advising of their entitlements.
	Calculation of entitlements	<ul style="list-style-type: none"> • Calculating employee entitlements. • Reviewing employee files and Company's books and records. • Reconciling superannuation accounts.
Employees		
123.5 hours \$44,045 (excl GST)		

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Reviewing awards and contracts.
	FEG	<ul style="list-style-type: none"> • Correspondence with FEG.
	Other employee issues	<ul style="list-style-type: none"> • Correspondence with Child Support agency. • Correspondence with Centrelink.
Trade On	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.
119.0 hours \$45,470 (excl GST)	Processing receipts and payments	<ul style="list-style-type: none"> • Entering receipts and payments into accounting system.
	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.
Investigation	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.
221.5 hours \$76,290 (excl GST)	Litigation / recoveries	<ul style="list-style-type: none"> • Liaising with solicitors regarding Downer claim. • Correspondence with Downer. • Attend reconvened mediation meeting.
	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)	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.
107.0 hours \$34,795 (excl GST)		

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Preparation of dividend calculation. • Preparation of correspondence to 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	<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"> • Correspondence with insurance broker regarding initial and ongoing insurance requirements. • Reviewing insurance policies. • Correspondence with previous brokers. • Completion of workers compensation wages declaration.
Administration		
189.5 hours		
\$61,150		
(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.

4.4: Resolution 4

Employee	Position	Rate (\$/Hour)	Total (Hrs) (\$)		Task Area														
					Assets (Hrs) (\$)		Creditors (Hrs) (\$)		Employees (Hrs) (\$)		Trade On (Hrs) (\$)		Investigation (Hrs) (\$)		Dividend (Hrs) (\$)		Administration (Hrs) (\$)		
Martin Jones	Partner	595	90.0	53,550	20.0	11,900	10.0	5,950	8.0	4,760	10.0	5,950	12.0	7,140	5.0	2,975	25.0	14,875	
Malcolm Field	Director	510	145.0	73,950	35.0	17,850	10.0	5,100	25.0	12,750	20.0	10,200	25.0	12,750	5.0	2,550	25.0	12,750	
Kieran Chu	Manager	400	123.5	49,400	30.0	12,000	10.0	4,000	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	157.5	56,700	30.0	10,800	30.0	10,800	16.5	5,940	16.0	5,760	30.0	10,800	25.0	9,000	10.0	3,600	
Yvonne Liew	Assistant Manager	360	142.5	51,300	30.0	10,800	30.0	10,800	15.5	5,580	5.0	1,800	35.0	12,600	22.0	7,920	5.0	1,800	
William Hulmes	Analyst	270	80.0	21,600	30.0	8,100	-	-	5.0	1,350	-	-	40.0	10,800	-	-	5.0	1,350	
Jason Soo	Analyst	270	55.0	14,850	35.0	9,450	-	-	-	-	-	-	15.0	4,050	-	-	5.0	1,350	
Nirav Shah	Accountant	230	188.0	43,240	15.0	3,450	33.0	7,590	35.0	8,050	30.0	6,900	25.0	5,750	20.0	4,600	30.0	6,900	
Max Gould	Accountant	230	119.5	27,485	12.0	2,760	30.0	6,900	10.5	2,415	2.0	460	20.0	4,600	25.0	5,750	20.0	4,600	
Caldera/Titlestad	Personal/Team Assistant	180	25.0	4,500	-	-	-	-	-	-	-	-	-	-	-	-	-	25.0	4,500
Smith/Newland/Herriman	Admin Supervisor/Assistant	140	24.5	3,425	-	-	-	-	-	-	-	-	-	-	-	-	-	24.5	3,425
Total (excluding GST)			1,150.5	400,000	237.0	87,110	153.0	51,140	123.5	44,045	119.0	45,470	221.5	76,290	107.0	34,795	189.5	61,150	
<i>GST</i>				<i>40,000</i>		<i>8,711</i>		<i>5,114</i>		<i>4,405</i>		<i>4,547</i>		<i>7,629</i>		<i>3,480</i>		<i>6,115</i>	
Total (including GST)				440,000		95,821		56,254		48,450		50,017		83,919		38,275		67,265	
Average Hourly Rate				348		368		334		357		382		344		325		323	

5 Statement of remuneration claim

Resolutions to be put to creditors at the meeting convened for 9 December 2014.

At the meeting of creditors convened for 9 December 2014, creditors will be asked to consider the following resolutions:

Resolution 1:

"That the further remuneration of the Administrators, as set out in the Remuneration Request Approval Report dated 1 December 2014, for the period from 1 September 2014 to 21 September 2014 be fixed in the amount of \$17,586 (plus GST), and may be paid."

Resolution 2:

"That the remuneration of the Administrators, as set out in the Remuneration Request Approval Report dated 1 December 2014, for the period from 8 October 2014 to 23 November 2014 be fixed in the amount of \$279,604 (plus GST), and may be paid."

Resolution 3:

"That the remuneration of the Administrators, as set out in the Remuneration Request Approval Report dated 1 December 2014, for the period from 24 November 2014 to 8 December 2014 be fixed at the remuneration rates set out in the Remuneration Request Approval Report up to a maximum amount of \$125,000 (plus GST) but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make monthly 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 Administrators remuneration will be sought in the future.

Where the Company is placed into Liquidation:

Resolution 4:

"That the remuneration of the Liquidators, as set out in the Remuneration Request Approval Report dated 1 December 2014, for the period from 9 December 2014 to the conclusion of Liquidation be fixed at the remuneration rates set out in the Remuneration Request Approval Report up to a maximum amount of \$400,000 (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 monthly 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 Liquidators remuneration will be sought in the future.

Remuneration approved and drawn to date

At the second meeting of creditors held on 7 October 2014, creditors approved remuneration of the Administrators as shown in the table below.

Period	Amount approved \$	Amount incurred \$	Amount drawn \$
1 September 2014 to 21 September 2014	259,401	276,987	NIL
22 September 2014 to 7 October 2014	200,000	170,704	NIL
Total	\$ 459,401	\$ 447,691	

We confirm the approved remuneration has not been drawn.

6 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.

7 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 below:

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 paid from the administration to Ferrier Hodgson for the period from 22 September 2014 to 23 November 2014.

Disbursements incurred	Basis	Total (excl GST) \$
Internal disbursements		
Accommodation / Hotel (Reimbursement of trading expense)	At cost	9,450
Advertising	At cost	447
Fares – Domestic (Reimbursement of trading expense)	At cost	51,242
Hire of Meeting Room	At cost	3,616
Materials (Reimbursement of trading expense)	At cost	1,800
Total		\$ 66,555

The following disbursements have been incurred from the administration to Ferrier Hodgson for the period from 22 September 2014 to 23 November 2014.

Disbursements incurred	Basis	Total (excl GST) \$
Internal disbursements		
Bank Charges	At cost	150
Courier	At cost	324
Searches	At cost	551
Taxi Fares	At cost	622
Meals	At cost	268
Mileage Reimbursement	At cost	17
Miscellaneous Travel Costs (Reimbursement of trading expense)	At cost	1,252
Other Disbursements	At cost	1,009
Photocopying – mono	492 pages @ \$0.20/page	98
Postage Charges	At cost	61
Printing – mono	8,313 pages @ \$0.20/page	1,663
Printing – colour	399 pages @ \$0.50/page	199
Stationery	At cost	28
Telephone Calls	At cost	278
Total		\$ 6,521

In relation to disbursements paid and incurred (not paid) from the administration to Ferrier Hodgson for the period from 22 September 2014 to 23 November 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 1 December 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 23 November 2014 is set out in the table overleaf.

This section has been left blank intentionally.

Receipts and Payments for the period 1 September 2014 to 23 November 2014		Amount \$
Receipts		
Pre-appointment debtors		7,372,428
Post-appointment debtors		1,031,803
Funds received from Central Systems		830,436
Gross proceeds from sale of encumbered plant and equipment		160,129
Less payments to financiers		(82,890)
Receipt of workers compensation funds		33,703
GST paid		12,939
Total Receipts		9,358,549
Payments		
Reimbursement of Central Systems		(1,326,286)
Wages paid on behalf of Central Systems (Gorgon Project)		(1,267,416)
Insurance		(611,825)
PAYG paid/payable (VA)		(446,956)
Wages (Salaries)		(445,552)
Wages (WBHO)		(442,401)
PAYG (paid on behalf of Central Systems for Gorgon Project)		(373,074)
Trade creditor payments		(187,918)
Finance commitments		(134,875)
Superannuation (VA)		(128,287)
Legal fees		(90,571)
Rent for operational properties (Gap Ridge, Apartment, Geraldton)		(81,699)
Payroll tax (paid on behalf of Central Systems for Gorgon Project)		(73,365)
Payroll tax (VA)		(59,462)
Rent for Osborne Park		(51,859)
Accommodation and flights (paid on behalf of Central Systems for Gorgon Project)		(51,152)
Costs of realisation		(35,424)
Phone bills, electricity, water		(33,061)
Accommodation and flights (VA)		(31,758)
Costs / Trade Creditors paid on behalf of Central Systems (Gorgon Project)		(17,651)
Employee entitlement payouts		(14,843)
Long service leave		(2,574)
Employee reimbursements		(978)
GST collected		(525)
Fuel cards		(352)
Total Payments		(5,909,865)
Net Receipts / Cash at bank as at 23 November 2014		\$ 3,448,683

Represented by:		Amount \$
National Australia Bank		3,486,347
Westpac Banking Corporation		(37,664)
Total cash at bank		\$ 3,448,683

11 Queries

If you require further information in respect of the above, or have 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 1st day of December 2014.



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

Annexure B

Updated Declaration of Independence, Relevant Relationships
and Indemnities (DIRRI)

*Corporations Act 2001
Sections 436DA, 449CA*

**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 “Killarnee Group” or the “Companies”)

Declaration of Independence, Relevant Relationships and Indemnities

This document requires the practitioner(s) appointed to an insolvent entity to make declarations as to:

- A. Their independence generally;
- B. Relationships, including
 - (i) The circumstances of the appointment;
 - (ii) Any relationships with the Companies and others within the previous two years;
 - (iii) Any prior professional services for the Companies within the previous two years;
 - (iv) That there are no other relationships to declare; and
- C. Any indemnities given or upfront payments made to the practitioner(s).

This declaration is made in respect of ourselves, our partners, and entities in connection with Ferrier Hodgson (collectively **Ferrier Hodgson**).

A. Declaration of independence

We, Martin Jones, Darren Weaver and Ben Johnson, and our firm, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Administrators of the Companies 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. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting these appointments.

B. Declaration of relationships

(i) Circumstances of appointment

We were contacted by Andrew Birch of Vantage Performance in the days before the appointment, the Business Sale Agreement entered into between the Company and Central Systems on 1 September 2014 ultimately called for our appointment as Administrators.

We believe that this relationship does not result in a conflict of interest or duty because:

- Referrals from solicitors, business advisors and accountants are commonplace and do not impact on our independence in carrying out our duties as administrator.
- Ferrier Hodgson has never undertaken any work for Vantage Performance in respect of the Companies.
- The work that we, or Ferrier Hodgson, undertake for Vantage Performance will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the Companies' administration in an objective and impartial manner.

We met with the Director of the Companies, Mr Ernest Paul Thompson and Mr Birch on 1 September 2014 for the purpose of assessing the individual Companies's financial position, sale and restructure alternatives and the consequences of any insolvency appointment. The nature of those discussions is consistent with our appointment and role as Administrators of the Companies to understand the Companies financial position and maximise the return to creditors.

We received no remuneration for this advice. These meetings do not affect our independence for the following reasons:

- Ferrier Hodgson's role was limited to assessing the Companies' financial position and restructuring option, the consequences of a formal insolvency appointment. Very brief, high level information and advice was given to the Companies;
- Advice was given to the Companies only. We did not advise the director personally or others.
- the Courts and the Code specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- the nature of the advice provided to the company is such that it would not be subject to review and challenge during the course of the Administration; and
- the pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the Administration of the Companies in an objective and impartial manner.

(ii) Relevant relationships (excluding professional services to the Company)

We, or our firm, have, or have had *within* the preceding two years, a relationship with:

Name	Nature of relationship	Reasons why we believe that this relationship is not an impediment or conflict of interest or duty
Westpac Banking Corporation in its capacity as secured creditor of the Companies	From time to time, Ferrier Hodgson undertakes assignments for various financiers including Westpac Banking Corporation	Ferrier Hodgson has never undertaken any work for Westpac Banking Corporation in respect of the Company. The work that Ferrier Hodgson undertakes for Westpac Banking Corporation will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the Company's administration in an objective and impartial manner.
Killarnee Civil & Concrete Contractors Pty Ltd (Administrators Appointed) ACN 085 230 486 ("KCCC")	We were appointed Voluntary Administrators of KCCC, KCPL and KEH on 1 September 2014.	The nature of the business operations are such that all three companies use the same administration and back office staff and systems.
Killarnee Contracting Pty Ltd (Administrators Appointed) ACN 109 535 686 ("KCPL")		This will not affect the independence of the Administrators, and will serve to create synergies, enabling the administrations to be conducted more efficiently by the same external administrator.
Killarnee Equipment Holdings Pty Ltd (Administrators Appointed) ACN 125 969 502 ("KEH")		At the time of our appointment, we not aware of any conflicts of interest between the group companies. If a conflict arises, we will inform creditors and take appropriate action to resolve the conflict.

(iii) Prior professional services to the Company

Neither we nor our firm have provided any professional services to the Companies in the previous 24 months.

(iv) No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, within the previous two years with the Companies, an associate of the Companies, a former insolvency practitioner appointed to the Companies or any person or

entity that has a security interest on the whole of or substantially the whole of the Companies' property that should be disclosed.

C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any upfront payments in respect of our remuneration or disbursements.

Dated this 1st day of December 2014.



Martin Jones
Administrator



Darren Weaver
Administrator



Benjamin Johnson
Administrator

Note:

If circumstances change, or new information is identified, we are required under Subsection 436DA(5) and 449CA(5) of the Act and the Code to update this declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Company's creditors.

Any relationships, indemnities or up-front payments disclosed in the declaration must not be such that the practitioner is no longer independent. The purpose of components B and C of the declaration is to disclose relationships that, while they do not result in the practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the practitioner nevertheless remains independent.