

23 December 2015

**TO MEMBERS AND CREDITORS**

Dear Sir/Madam

**Crane Investments (WA) Pty Ltd (In Liquidation)  
ACN 103 911 226 (“the Company” / “CI”)  
Formerly Trading as “Northern Suburbs Crane Hire”**

We refer to the appointment of Andrew Saker and Martin Jones as Joint and Several Liquidators of the Company on 28 September 2012. As previously advised, Andrew Saker has resigned as Liquidator of the Company on 25 July 2014.

In recognition of the liquidation’s anniversary, the Liquidator is required pursuant to section 508 of the Corporations Act 2001 (“the Act”) to either:

- Convene an annual meeting of the Company’s creditors: section 508(1)(b)(i); or
- Prepare and lodge a report with the Australian Securities and Investments Commission (“ASIC”) that complies with section 508(3) of the Act, which sets out (amongst other things), the conduct of the winding up and an account of the Liquidators’ acts and dealings during the preceding year: section 508(1)(b)(ii).

Notice is hereby given to creditors pursuant to section 508(4) of the Act that:

- The Liquidator has elected not to convene an annual meeting of creditors.
- The Liquidator has prepared and lodged with ASIC a report that complies with section 508(3) of the Act. A copy of this report is available to creditors free of charge, upon written request to the Liquidators. It includes the Liquidator’s summary of receipts & payments, details of remuneration incurred, indicates finalisation of the liquidation in late 2016. Alternatively, a copy of this report is also available for download from the Ferrier Hodgson website at [www.ferrierhodgson.com](http://www.ferrierhodgson.com).

Should you require any further information concerning the contents of this report, or the liquidation in general, please do not hesitate to contact Jason Soo of this office.

Yours faithfully

**Crane Investments (WA) Pty Ltd**



**Martin Jones**  
Liquidator

Encl.

SYDNEY  
MELBOURNE  
ADELAIDE  
BRISBANE  
PERTH  
KUALA LUMPUR  
SINGAPORE

Affiliated through:  
Zolfo Cooper  
CARIBBEAN  
UNITED STATES  
KLC Kennic Lui & Co.  
CHINA  
HONG KONG

**Crane Investments (WA) Pty Ltd (In Liquidation)  
ACN 103 911 226 (“the Company / CI”)  
Formerly trading as “Northern Suburbs Crane Hire”**

**Liquidator’s Annual Report  
Pursuant to Section 508 of the Corporation Act 2001**

**23 December 2015**

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## 1 Introduction

The purpose of this report is to provide information and update creditors on the Liquidator's acts and dealings since our previous reports.

This report should be read in conjunction with the Administrator Report to Creditors dated 19 September 2012 and the Liquidators' Annual Report dated 20 December 2013 ("the Liquidators' 2013 Annual Report") and Liquidators' Annual Reports dated 22 December 2014 ("the Liquidators' 2014 Annual Report") which are available on the Ferrier Hodgson website at [www.ferrierhodgson.com.au](http://www.ferrierhodgson.com.au).

We provide an update to the progress of the liquidation since our last report under the relevant headings:

## 2 Recovery of Unfair Preference Payments from Creditors

Our investigations into the affairs of CI have identified a number of possible transactions that may be voidable as unfair preferences under section 588FA of the Corporations Act 2001 (the Act).

During the past year, we have recovered a total of \$80,081 as unfair preference payments from the creditors of the Company.

We have also identified that the ATO received payments totalling \$912K which were recoverable as an unfair preference. In August 2015, we lodged a demand for repayment with the ATO. At the time of writing, despite our numerous efforts to follow up with the ATO, we have yet to receive a response from the ATO. We will continue to follow up with ATO with a view to progress and finalise the claim against ATO in due course.

## 3 Statement of Position

We have conducted an analysis of the Company's asset and liability position in order to provide creditors with an indication of the Company's financial position as at 15 December 2015. The following notes should be read in conjunction with the table overleaf:

-----*This space has been left blank intentionally*-----

Statement of Position as at 15 December 2015	Notes	Liquidators' ERV High (\$)	Low (\$)
<b>Assets not subject to charges</b>			
Cash at bank as at 15 December 2015		26,577	26,577
<b>Total assets available prior to further recoveries</b>		<b>26,577</b>	<b>26,577</b>
Total voidable transaction and other recoveries	i	912,393	Nil
Less: Cost of recoveries		(80,000)	(80,000)
<b>Estimated total assets not subject to charges</b>		<b>858,969</b>	<b>Nil</b>
<b>Less: Cost of liquidation</b>			
Outstanding Liquidator's fees to 30 November 2015		(86,983)	(86,983)
Outstanding Liquidator's disbursements to 30 November 2015		(247)	(247)
Estimated future Liquidator's fees and disbursements		(120,000)	(150,000)
Estimated future Liquidator's disbursements		(1,500)	(3,000)
<b>Total cost of liquidation</b>		<b>(208,730)</b>	<b>(240,230)</b>
<b>Surplus / (Deficit) after cost of liquidation</b>		<b>650,240</b>	<b>(240,230)</b>
<b>Amounts available to priority creditors</b>		<b>650,240</b>	<b>Nil</b>
<b>Less: Priority creditors</b>			
Total priority creditors (employee entitlements)	ii	(701,208)	(701,208)
<b>Total assets available to unsecured creditors</b>		<b>Nil</b>	<b>Nil</b>
Estimated amount owing to NAB (secured creditor)	iii	(81,670)	(81,670)
Unsecured trade creditors	iv	(4,395,807)	(5,000,000)
Australian Taxation Office		(369,035)	(369,035)
Office of State Revenue (payroll tax)		(163,184)	(163,184)
Contingent claims - shortfall to HP financiers		(11,040,010)	(11,040,010)
<b>Total unsecured creditors' claims</b>		<b>(16,049,705)</b>	<b>(16,653,898)</b>
<b>Estimated surplus / (deficiency)</b>		<b>(16,049,705)</b>	<b>(16,653,898)</b>
<b>Estimated dividend rate (cents in \$)</b>		<b>Nil</b>	<b>Nil</b>

**i. Total estimated voidable transaction and other recoveries**

Our ongoing investigations into the affairs of CI have identified a number of other possible transactions that may fall under the provisions of unfair preferences under Section 588FA of the Act.

After accounting for our recent recoveries of unfair preference payments, we estimate that a further recovery of up to \$912,393 may be available to the Company, of which we continue to progress our recovery action.

For completeness, we also note that there are inherent risks and significant costs involved in pursuing such claims and therefore the final recovery amount may differ considerably from the estimates.

**ii. Priority creditor debts**

Amounts owed to priority creditors represents amounts owed for employee entitlement which are afforded a statutory priority of repayment over circulating charge assets pursuant to section 556(1) of the Act.

The Federal Government's GEERS have responded to the claims of the employees and over the course of the liquidation, they have advanced funds (other than superannuation) totalling \$518.9K for distribution by Liquidator to all eligible employees. We note that the entitlements met by GEERS rank as a priority in a distribution alongside superannuation and other entitlements not covered by GEERS.

We table below our estimate of the outstanding employee entitlements:

Employees entitlements	Amount (\$)
Wages (including allowances)	24,886
Superannuation	42,408
Annual Leave	270,278
Long Service Leave	39,783
Rostered Days Off	76,060
Payment in Lieu of Notice	160,831
Redundancy	86,961
<b>Total</b>	<b>\$701,208</b>

### iii. Secured creditors' debts

As mentioned in our previous reports, NAB had provided a hire purchase facility to the Company for the purchase of a Demag 350 Tonne AC350 mobile crane (Demag 350). We have been advised that the shortfall from the sale of the Demag 350 is approximately \$735,000 (before accrued interest).

The Company's related entity, DGWA had also previously provided a commercial guarantee to the NAB in relation to the obligation for the purchase of the Demag 350 and partial repayment has also been made by DGWA to NAB. As at the date of this report, we estimate that the amount owing to NAB is approximately \$82K.

### iv. Unsecured creditors' debts

Accounting for informal proofs of debts received to date and based upon the Company's records, we estimate the Company's liability to unsecured creditors at \$16.0M to \$16.7M. However, this figure is subject to the receipt and adjudication of final proof of debt from creditors.

At the time of writing, no distributions have been made to unsecured creditors of the Company.

## 4 Submission of Formal Proof of Debts

At this stage, it is uncertain what dividend, if any, might be paid to unsecured creditors. However, in the interest of efficiency, and to assist the Liquidator in better quantifying the amount owing by CI to creditors, we enclose a Form 534: Notice to creditors to submit formal proof of debt or claim (**Annexure A**) requesting creditors to complete a Formal Proof of Debt Form ("FPOD") (**Annexure B**) and return to us with documentation to support their claim on or before **Wednesday, 20 January 2015**.

## 5 Investigations into the Company's Affairs

A liquidator is required to lodge a report to the ASIC pursuant to Section 533 of the Act in circumstances where a past or present officer may have been guilty of an offence, or if it is unlikely that the Company will be able to pay its unsecured creditors more than 50 cents in the dollar.

The report to ASIC includes an examination of various aspects of the Company's trading activities and also gives consideration if offences have been committed by any officers of the Company. These investigations also include the review of any voidable transactions pursuant to section 588FA of the Act and the directors' duty to prevent the Company from trading whilst insolvent pursuant to section 558G of the Act.

As noted previously, we have lodged our preliminary report with ASIC, and ASIC has requested that a further supplementary report to be prepared as they intend to carry out further investigations into the affairs of the Company and the conduct of its officers. In this regard, we advise that we are progressing our investigations with a view to complete and lodge the supplementary report with ASIC in due course.

## 6 Receipts and Payments

We table at **Annexure C**, a summary of the receipts and payments for the period 16 December 2014 to 15 December 2015.

## 7 Liquidators' Remuneration

Set out below is a summary of the Liquidators' remuneration (GST exclusive) from the commencement of the Liquidation to 30 November 2015:

Description	Amount Incurred (\$)	Amount Approved (\$)	Amount Drawn (\$)	Less: Amount Invoiced* (\$)	Amount Outstanding (\$)
Liquidators remuneration incurred for the period 28 September 2012 to 30 November 2014	210,143	200,000	200,000	10,141	-
Liquidator remuneration incurred for the period 1 December 2014 to 30 November 2015	86,983	-	-	-	86,983
<b>Total</b>	<b>\$297,126</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$10,141</b>	<b>\$86,983</b>

*\*see comment in Annexure D: Remuneration Request Approval Report, part 6: Remuneration Recoverable from External Sources*

We table at **Annexure D** the Liquidator's Remuneration Report which provides creditors with a breakdown of the remuneration incurred and drawn during the course of the Liquidation period to 30 November 2015.

## 8 Outstanding Matters to Finalise the Liquidation

At the time of writing, the main outstanding task in the liquidation relates to:

- Completion of our investigations and lodgement of the supplementary Section 533 report to the ASIC;
- The pursuit (and resolution) of further potential unfair preference and insolvent trading claims; and
- Calling for proofs and adjudication of same and declaration of dividends to priority and ordinary unsecured creditors (as applicable).

Once the above matters have concluded, we will be in a position to finalise the liquidation which will involve the following tasks:

- Convening a final meeting of creditors and members; and
- Attending to final statutory requirements of the liquidation.

Should you have any enquiries in relation to this matter, please do not hesitate to contact Jason Soo of this office.

Yours faithfully

**Crane Investments (WA) Pty Ltd**



**Martin Jones**

Liquidator

Encl.

## Glossary of terms

Abbreviation	Description
ABN	Australian Business Number
ACN	Australian Company Number
Act	The Corporations Act 2001
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Company or CI	Crane Investments (WA) Pty Ltd (In Liquidation) ACN 103 911 266
DGV	D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation) ACN 136 357 054 formerly trading as D&G Verticon Hoists & Cranes
DGWA	D&G Hoists & Cranes Pty Ltd (In Liquidation) ACN 084 148 096
ERV	Estimated Realisable Value
GEERS	General Employee Entitlement Redundancy Scheme
JP Nelson	JP Nelson Equipment Pte Ltd
K	Thousand dollars
M	Million dollars
NAB	National Australia Bank Limited
Scottish Pacific or SPBF	Scottish Pacific Business Finance Pty Ltd

## Annexure A

### Form 534

#### Notice to creditors to submit formal proof of debt or claim

*Corporations Act 2001  
Subregulation 5.6.48(3)*

**Crane Investments (WA) Pty Ltd (In Liquidation)**  
**ACN 103 911 226 (“the Company”)**  
**Formerly Trading as “Northern Suburbs Crane Hire”**

Take notice that creditors of the Company, whose debts or claims have not already been admitted, are required on or before **Wednesday, 20 January 2015**, to formally prove their debts or claims and to establish any title they may have to priority by delivering or posting to me at my address, a formal proof of debt or claim in accordance with **Form 535: Formal Proof of Debt or Claim (General Form)** containing their respective debts or claims. If they do not they will be excluded from:

- (a) the benefit of any distribution made before their debts or claims are proved or their priority is established; and
- (b) objecting to the distribution.

A formal proof of debt or claim form is included for your convenience.

DATED this 23<sup>rd</sup> day of December 2015.



**Martin Jones**  
Liquidator

Crane Investments (WA) Pty Ltd (In Liquidation)  
c/- Ferrier Hodgson  
Level 28, 108 St Georges Terrace  
PERTH WA 6000

Tel: 08 9214 1444  
Fax: 08 9214 1400  
Email: [Jason.soo@fh.com.au](mailto:Jason.soo@fh.com.au)

## Annexure B

### Form 535 Formal Proof of Debt or Claim (General Form)

*Corporations Act 2001  
Regulation 5.6.49(2)*

**Crane Investments (WA) Pty Ltd (In Liquidation)  
ACN 103 911 226 (the Company)**

#### ***Instructions:***

Please complete Sections A, B and C and submit to:  
Crane Investments (WA) Pty Ltd (In Liquidation)  
c/- Ferrier Hodgson  
Level 28, 108 St Georges Terrace  
PERTH WA 6000

Tel: 08 9214 1444  
Email: Jason.soo@fh.com.au

Fax: 08 9214 1400

\* Strike out if inapplicable.

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#### **A. Name and Contact Details of Creditor**

**(the Creditor)**

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

of

*(address)*

Tel:

Fax:

Email:

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address or fax number specified above.

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**B. Details of Debt or Claim**

To the Liquidator of the Company

1. This is to state that the Company was, on 10 August 2012, and still is justly and truly indebted to the Creditor for

dollars

(amount in words)

and cents (inclusive of GST, if applicable).

Particulars of the debt are:

Date	Consideration <sup>1</sup>	Net (\$)	GST (\$)	Total (\$)	Remarks <sup>2</sup>
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1. Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".
2. Under "Remarks" include details of vouchers substantiating payment.

2. To my knowledge or belief the Creditor has not, nor has any person by the Creditor's order, had or received any satisfaction or security for the sum or any part of it, \*except for:

(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, indicate "refer attached" above and show them in a schedule in the following form:)

Date	Drawer	Acceptor	Amount (\$)	Due Date
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3. \*I am employed by the Creditor / \*I am the Creditor's agent \*and authorised in writing by the Creditor to make this statement.

I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

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**C. Signature**

Dated:

Signature:

Name / Capacity #:

# If the Creditor is an individual, insert full name

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

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

If the Creditor is a company, 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)".

Where this form is completed by, for example, a solicitor or accountant of the Creditor, sign this form as the Creditor's authorised agent; where this form is completed by an authorised employee of the Creditor, indicate occupation (eg: credit manager, etc).

Annexure C

Summary of Receipts and Payments for the period 16 December 2014 to 15 December 2015

Summary of Receipts & Payments For the period 16 December 2014 to 15 December 2015	Amount (\$) (excl GST)	Amount (\$) (excl GST)
<b>Receipts</b>		
Balance c/f from 15 December 2014		2,393,577
Recovery of preference payments	80,081	
GST Control	5,824	85,905
<b>Payments</b>		
Balance c/f from 15 December 2014		(2,388,445)
Legal fees	(4,374)	
Liquidators' disbursements	(1,589)	
Liquidators' fees	(52,834)	
GST on payments	(5,663)	(64,460)
<b>Account Balance as at 15 December 2015</b>		<b>\$26,577</b>

## Annexure D

### Corporations Act 2001

Section 499(7)

### Crane Investments (WA) Pty Ltd (In Liquidation)

ACN 103 911 226 (“the Company” / “CI”)

### Remuneration Report

The Liquidator’s Remuneration Report, prepared pursuant to Section 499(7) of the Corporations Act 2001, is to be read in conjunction with the Liquidators’ Remuneration Reports dated 20 December 2013 and 22 December 2014, and takes the following form:

#### 1 Declaration

I, Martin Jones of Ferrier Hodgson, have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator 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.

I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the liquidation.

#### 2 Executive summary

##### 2.1 Summary of remuneration for CI

To date, remuneration totalling \$200,000 has been approved and paid in the liquidation of CI. This remuneration report does not seek approval of any additional fees.

Period	Amount (\$) (ex GST)
<b>Past remuneration approved (liquidation only):</b>	
28 September 2012 to 30 November 2014	200,000
<b>Total past remuneration approved</b>	<b>\$200,000</b>
<b>Outstanding remuneration:</b>	
1 December 2014 to 30 November 2015	86,983
<b>Total outstanding remuneration</b>	<b>\$86,983</b>

In respect of the outstanding Liquidator’s remuneration, I note that I may be seeking further approval from creditors at a creditors meeting in future. The payment of outstanding Liquidator’s fees will be dependent on the Liquidator’s further recovery from voidable transactions.

## 2.2 Comparison to estimate of costs provided in initial advice to creditors

This remuneration report differs to the estimate of costs provided in the initial advice to creditors on remuneration dated 19 September 2012 for the following reasons:

- Reconciliation of outstanding employee entitlements which were complex and in some instance the records available were not up-to-date to facilitate the GEERS verification process.
- Investigations undertaken to substantiate and recover antecedent transactions;
- Recovery actions undertaken to recover unfair preference claims and to pursue claims against remaining creditors; and
- Further investigations conducted as requested by ASIC following the lodgement of preliminary Section 533 report.

-----*This space has been left blank intentionally*-----

### 3 Schedule of Hourly Rates & General Guide to Staff Experience

The hourly rates for my remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the liquidation and the role they take.

The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Rate \$/hour	Experience
Partner/Appointee	\$595	The Partner/Appointee is a registered liquidator and member of the ICAA and, generally, ARITA, bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at <a href="http://www.ferrierhodgson.com">www.ferrierhodgson.com</a>
Executive Director	\$525	The Executive Director is a registered liquidator and member of the CAANZ and, generally, ARITA, bringing specialist skills to the liquidation or insolvency task.
Director	\$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, ARITA, 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, ARITA; 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, ARITA; 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 ARITA 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, on a part-time basis, 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 Assistant	\$180	Appropriate skills including machine usage.
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 staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
3. Time is recorded and charged in six-minute increments.

#### 4 Description of work completed

A description of works completed since my last report is detailed below:

Task Area	General Description	Includes:
<b>Assets</b> 3.7 hours \$1,167	Plant and equipment	<ul style="list-style-type: none"> <li>Liaising with Australian Financial Security Authority and financiers to discharge Company's PPSR charges on sold assets.</li> </ul>
	Creditor Enquiries	<ul style="list-style-type: none"> <li>Receive and follow up creditor enquiries via telephone and email.</li> <li>Review and prepare correspondence to creditors and their representatives via facsimile, email and post.</li> </ul>
	Secured creditor reporting Creditor reports/circulars	<ul style="list-style-type: none"> <li>Responding to secured creditors queries.</li> <li>Preparation of Liquidator's Annual Report to Creditors including an accompanying Remuneration Report</li> </ul>
<b>Creditors</b> 25.9 hours \$8,381	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>Receipting and filing POD's when not related to a dividend.</li> <li>Maintain proof of debt register.</li> </ul>
	Processing proofs of debt	<ul style="list-style-type: none"> <li>Receipt of proofs of debt.</li> <li>Maintain proof of debt register.</li> <li>Adjudicating proofs of debt.</li> <li>Request further information from claimants regarding proofs of debt.</li> <li>Preparation of correspondence to claimant advising outcome of adjudication.</li> </ul>
<b>Employees</b> 0.6 hours \$201	Employee enquiries	<ul style="list-style-type: none"> <li>Receive and follow up employee enquiries via telephone.</li> <li>Review and prepare correspondence to employees and their representatives via facsimile, email and post.</li> <li>Receive and prepare correspondence in response to employees' objections to leave entitlements.</li> </ul>
	Conducting investigation	<ul style="list-style-type: none"> <li>Reconstruction of financial statements.</li> <li>Reviewing the Company's books and records and Report as to Affairs.</li> <li>Liaising with directors regarding certain transactions.</li> <li>Preparation of investigation file.</li> </ul>
<b>Investigation</b> 229.4 hours \$73,246	Recoveries	<ul style="list-style-type: none"> <li>Review of Company records to identify and quantify antecedent transactions</li> <li>Prepare correspondence to creditors to identify recoverability</li> <li>Review of Company's email server to catalogue and retrieve information relevant to claims</li> <li>Internal meetings to discuss status of recoveries.</li> <li>Liaise with creditor to progress preference claim including negotiating settlement of claims</li> <li>Preparing brief to solicitors and liaising with solicitors regarding recovery actions.</li> </ul>
	ASIC reporting	<ul style="list-style-type: none"> <li>Preparing the statutory investigation report pursuant to Section 533 of the Act with ASIC.</li> </ul>
	Correspondence	<ul style="list-style-type: none"> <li>General correspondence.</li> </ul>
<b>Administration</b> 14.1 hours \$3,989	Document maintenance / file review / checklist	<ul style="list-style-type: none"> <li>Six (6) month administration review.</li> <li>Filing documents.</li> <li>File reviews.</li> <li>Updating checklists.</li> </ul>

Task Area	General Description	Includes:
	Bank account administration	<ul style="list-style-type: none"><li>▪ Requesting bank statements.</li><li>▪ Bank account reconciliations.</li><li>▪ Correspondence with bank regarding specific transfers.</li></ul>
	ASIC Form 524 and other forms	<ul style="list-style-type: none"><li>▪ Preparing and lodging ASIC forms including 505, 524, 5011 etc.</li><li>▪ Correspondence with ASIC regarding statutory forms.</li></ul>
	ATO & other statutory reporting	<ul style="list-style-type: none"><li>▪ Preparing BAS statements.</li></ul>
	Planning / Review	<ul style="list-style-type: none"><li>▪ Discussions regarding status/strategy of administration.</li></ul>
	Books and records/storage	<ul style="list-style-type: none"><li>▪ Dealing with records in storage.</li><li>▪ Sending job files to storage.</li></ul>

Summary of Liquidators' remuneration by employee and task area for the period 1 December 2014 to 30 November 2015

Employee	Position	Rate (ex GST) (\$/Hour)	Total		Task Area									
			(Hrs)	(\$)	Assets		Creditors		Employees		Investigation		Administration	
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
M Jones	Partner / Appointee	595	1.5	893	-	-	1.0	595	-	-	-	-	0.5	298
K Chu	Manager	400	36.0	14,400	0.4	160	7.8	3,120	0.3	120	25.4	10,160	2.1	840
L McCann	Manager	400	11.6	4,640	-	-	-	-	-	-	11.6	4,640	-	-
	Assistant Manager	360	28.0	10,080	-	-	-	-	-	-	27.7	9,972	0.3	108
W Hulmes	Senior Analyst	305	81.8	24,949	-	-	-	-	-	-	81.8	24,949	-	-
	Analyst	270	48.0	12,960	-	-	-	-	-	-	48.0	12,960	-	-
J Soo	Senior Analyst	305	41.5	12,658	3.3	1,007	1.4	427	-	-	33.2	10,126	3.6	1,098
	Analyst	270	20.1	5,427	-	-	15.7	4,239	0.3	81	0.4	108	3.7	999
N Shah	Analyst	270	0.8	216	-	-	-	-	-	-	0.8	216	-	-
W George	Accountant	230	0.5	115	-	-	-	-	-	-	0.5	115	-	-
J Titlestad	Personal / Team Assistant	180	0.7	126	-	-	-	-	-	-	-	-	0.7	126
A Jamieson	Accounts Supervisor/Assistant	180	1.8	324	-	-	-	-	-	-	-	-	1.8	324
J Newland	Admin Supervisor/Assistant	140	1.4	196	-	-	-	-	-	-	-	-	1.4	196
<b>Total Hours</b>			<b>273.7</b>	<b>86,983</b>	<b>3.7</b>	<b>1,167</b>	<b>25.9</b>	<b>8,381</b>	<b>0.6</b>	<b>201</b>	<b>229.4</b>	<b>73,246</b>	<b>14.1</b>	<b>3,989</b>
GST				8,698		117		838		20		7,325		399
<b>Total (Including GST)</b>				<b>95,681</b>		<b>1,283</b>		<b>9,219</b>		<b>221</b>		<b>80,571</b>		<b>4,387</b>
Average hourly rate				318		315		324		335		319		283

## 5 Statement of remuneration claim

### 5.1 Remuneration approved and drawn to date

The Liquidator's remuneration approved and drawn to date is as follows:

Description	Amount Incurred	Amount Approved	Amount Drawn	Less: Amount Invoiced*	Amount Outstanding
	(\$)	(\$)	(\$)	(\$)	(\$)
Liquidators remuneration incurred for the period 28 September 2012 to 30 November 2014	210,143	200,000	200,000	10,141	-
Liquidator remuneration incurred for the period 1 December 2014 to 30 November 2015	86,983	-	-	-	86,983
<b>Total</b>	<b>297,126</b>	<b>200,000</b>	<b>200,000</b>	<b>10,141</b>	<b>86,983</b>

\*see comment in part 6: Remuneration Recoverable from External Sources

## 6 Remuneration recoverable from external sources

Apart from the remuneration of \$10,141 (excluding GST) received from the Department of Employment and Workplace Relations on 17 June 2014 in relation to the Fair Entitlements Guarantee Act 2012 or its predecessor schemes (i.e. GEERS) as outlined in our previous reports, the Liquidator has not received, and is not entitled to receive, any funding from external sources in respect of the Liquidator's remuneration.

## 7 Disbursements

### 7.1 Types of 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 liquidation, 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:

Disbursement type	Charges (excl 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

*Note: Above rates are applicable for the financial year ending 30 June 2016*

## 7.2 Disbursements paid from the liquidation to Ferrier Hodgson

The following disbursements have been incurred from the liquidation to Ferrier Hodgson for the period from 1 December 2014 to 30 November 2015.

### Disbursements from 1 December 2014 to 30 November 2015

Disbursements	Total (excl GST) \$
<b>Internal disbursements</b>	
Advertising	\$149.00
Postage Charges	\$76.26
Photocopying	\$92.20
Printing	\$373.60
Stationery	\$6.30
Search Fees	\$114.20
Storage an Storage Transit	\$481.66
Telephone Calls	\$1.20
<b>Total</b>	<b>\$1,294.42</b>

In relation to disbursements paid / incurred from the liquidation to Ferrier Hodgson for the period from 1 December 2014 to 30 November 2015, I advise the following:

- I have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. I am 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 liquidation 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 9 as Appointee disbursements. Where payments to third parties are paid directly from the liquidation bank account, they are included in the summary of receipts and payments at Part 9.

- Creditor approval for the payment of disbursements is not required. However, the Liquidator 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 liquidation on the same basis as the table in Part 7.1.

## **8 Report on progress of the liquidation**

The Remuneration Report must be read in conjunction with the Liquidator's Annual Report dated 23 December 2015 which outlines the progress of the liquidation.

## **9 Summary of receipts and payments**

A summary of receipts and payments for the period from 16 December 2014 to 15 December 2015 is included in the accompanying Liquidator's Annual Report dated 23 December 2015.

## **10 Queries**

If you require further information in respect of the above, or have other questions, please contact Jason Soo of this office on 08 9214 1444.

## **11 Information available**

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](http://www.arita.com.au).

An information sheet concerning approval of remuneration in external administrations can also be obtained from the Australian Securities & Investments Commission website at [www.asic.gov.au](http://www.asic.gov.au).

Dated this 23<sup>rd</sup> day of December 2015.



**Martin Jones**  
Liquidator