

**D&G Hoists & Cranes (Aus) Pty Ltd
(In Liquidation)
Formerly trading as “D&G Verticon Hoists & Cranes”**

ACN 136 357 054

**Liquidators' Annual Report
Pursuant to Section 508 of the Corporations Act 2001**

2 December 2013

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1 Work Conducted and Current Status

Background

I confirm that Andrew Saker and I were appointed Joint and Several Administrators of the Company on 10 August 2012 pursuant to Section 436A of the Corporations Act 2001 (the Act).

Immediately following our appointment as Administrators, we took control of the Company's assets and continued to carry on the Company's business in a limited capacity whilst a potential restructure of the Company (together with the related entity, DGV) was assessed by the Company's major shareholder, JP Nelson. During this time we identified that the business generated insufficient cashflow to sustain operations and it was subsequently closed on 27 August 2013.

At the second meeting of creditors held on 14 September 2012 pursuant to section 446A of the Act, absent a suitable Deed of Company Arrangement proposal, creditors resolved for the Company to be placed into Liquidation. As a result, we were appointed as Joint and Several Liquidators of the Company on that day.

Asset Realisation Process

The majority of the Company's plant and equipment was subject to the security of third party financiers. We have, since the date of our appointment, been liaising with the various financiers to determine an appropriate and acceptable realisation strategy, given the lack of funds in the administration, and independent auctioneers and valuers were engaged to prepare a strategy to realise that equipment.

As a result of the above, the asset realisation programme for the Company's plant and equipment started in September 2012 after the cessation of the business operations (due to the lack of funding) and with the consent and engagement of the relevant financiers who had a financial interest in the Company. This sale process ran through to the end of October 2012 and the collection of funds and removal process of the majority of the equipment occurred between the months of November and December 2012.

We note that the lengthy asset realisation process was due to complexity of the assignment, the number of major financiers (15) involved and the nature of the equipment. The Company's fleet of assets had been acquired over a number of years and effectively mixed to fit operating circumstances, making tracing of components to financiers challenging. The equipment was also spread throughout the country at a combination of Company controlled sites and clients' building projects across Australia.

As an example, the crane and hoist assets predominantly share similar accessories with no identifying serial numbers on the equipment other than the main cabin of the crane or hoist. The associated componentry, such as the vertical and horizontal mast sections, cables, platforms and other accessories were not serialised and scattered amongst the different yards maintained by the Company for its New South Wales, Victorian and Queensland operations and its related entity DGWA for the operations in Western Australia.

At the time of writing, a net total of \$2,396,265 has been received from the sale of plant and equipment as tabled below:

Asset Realisation	Amount (\$)
Sale of Assets:	
Plant and equipment (charged)	2,137,755
Plant and equipment (unencumbered)	907,653
GST on sales	304,580
Total Gross Sale Proceeds	\$3,349,989
Less Auctioneer Expenses:	
Commission	(145,786)
Advertising	(40,765)
Charges	(46,775)
Labour	(70,700)
Insurance	(16,001)
GST on expenses	(32,002)
Total Auctioneer Expenses	(352,029)
Less Payments to Financiers	(601,695)
Net Sale Proceeds	\$2,396,265

At the time of writing, there are certain items of equipment (3 cranes) which are under contract; however the proceeds are not expected to be received until the end of December 2013.

Collection of Debtors

Prior to the appointment of Administrators, the Company factored its debts through Scottish Pacific Business Finance (**SPBF**) to improve the cash collection cycle, and had effectively sold its debt book (past, present and future debts) to SPBF.

Accordingly, we are unable to access any receivables owed to the Company until SPBF has collected debtors sufficient to discharge the debt owed to it in full. SPBF have been and are currently still attending to the collection of debts at present and will account to be for the total collected and the balance remaining at the conclusion of that exercise.

They had previously advised that their collection efforts to date have been hampered by various claims of set-off by the debtors. The various set-off and back charges that have been raised or otherwise applied towards the amounts outstanding relates to the following:

- The additional cost of engaging replacement sub-contractors to continue on the project;
- The additional cost to dismantle and transport; and
- The additional cost of on-site labour and equipment resources to demobilise the equipment.

Whilst any surplus funds collected after payment of SBPF's debt would ordinarily be provided to the Company, given the difficulties in collecting debtors due to potential counterclaims over terminated agreements and creditor offsets, it follows that many of the debtors that remain to the Company (if any) will either be bad debts or doubtful debtors, or dispute their obligation to pay. Accordingly, we are not presently in a position to estimate what, if any, receivables may be collectible once SBPF has discharged the debt owing to it.

We also confirm that we are continuing our efforts to assist SBPF to engage with debtors, and in certain circumstances provided referrals for sub-contractors (where possible) in an attempt to maximise the returns from debtor collections.

Employee entitlements

We have verified all employee entitlement claims and liaised with GEERS regarding distribution of funds to employees. We have also attended to the reporting requirements of GEERS and numerous employee enquiries by way of written and telephonic correspondences.

Further, we have calculated the quantum of other benefits accrued by employees in accordance with each separate state union collective agreement and liaised with these portable trust entities to ensure the timely distribution of funds where possible.

We note that there was a distribution by the CFMEU to NSW employees of funds obtained from the Company's debtors in respect of accrued entitlements. We conducted a reconciliation of these funds and liaised with both the CFMEU and GEERS to ensure employees received the appropriate benefit.

2 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 financial position as at 24 November 2013.

Assets Subject to Circulating Charge, and Assets Subject to Non-Circulating Charge

We have made a preliminary determination of assets falling under the respective circulating and non-circulating charges by reference to the relevant securities held by the secured creditors. The following notes should be read in conjunction with the table overleaf:

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Statement of Position as at 24 November 2013	Notes	Liquidators' ERV	
		High (\$)	Low (\$)
Assets Subject to Circulating Charges			
Debtors (available after discharge of SBPF debts)	i	Unascertained	Unascertained
Sub-total		Unascertained	Unascertained
Less: Payment of subordinated cost of VA			
JP Nelson advance for wages (W1&W2)		(492,028)	(492,028)
Amounts available to Priority Creditors		Unascertained	Unascertained
Priority Creditor Claims (Employee Entitlements)	ii	(1,808,957)	(1,808,957)
Surplus / (Deficit) of Circulating Charge Assets		(2,300,985)	(2,300,985)
Assets Subject to Non Circulating Charges			
Cash at bank as at 24.11.2013 (generated from sale of P&E)		463,210	463,210
Total Available Assets to meet Cost of Administration		463,210	463,210
Less: VA Cost Outstanding			
GST / PAYG Payable		(21,448)	(21,448)
Liquidators' Fees to 31 October 2013		(203,435)	(203,435)
Estimated future Liquidators fees and cost		(250,000)	(250,000)
Estimated professional fees and costs (legal fees etc.)		(20,000)	(30,000)
Contingencies for other expenses		(50,000)	(50,000)
Total Cost of Administration		(544,883)	(554,883)
Surplus / (Deficit) after Cost of Administration		(81,673)	(91,673)
Estimated value of remaining Plant & Equipment	iii	795,000	795,000
Less: Costs of Realisation (estimate only)	iii	(198,750)	(198,750)
Total Assets Subject to Non Circulating Charge		596,250	596,250
Total Assets Available to Secured Creditors		514,577	504,577
Less: Secured Creditors			
Estimated amounts owing to Westpac		(4,600,000)	(4,600,000)
Estimated shortfall to Westpac		(4,085,423)	(4,095,423)
Estimated amount owing to SBPF		Unascertained	Unascertained
Estimated amounts owing to DLL/Manitowoc		(8,090,429)	(8,090,429)
Total Estimated Shortfall of Secured Creditors' Debt		(12,175,853)	(12,185,853)
Total Voidable Transaction and Other Recoveries	v	3,068,461	Nil
Less: Cost of recoveries	v	(500,000)	Nil
Less: Estimated Deficit of Circulating Charge Assets (see above)		(2,300,985)	(2,300,985)
Total Assets Available to Unsecured Creditors		267,476	Nil
Unsecured Trade Creditors		(5,460,350)	(6,000,000)
Australian Taxation Office		(1,596,182)	(1,596,182)
Payroll Tax		(351,435)	(351,435)
Contingent Claims - Shortfall to HP financiers		(7,232,435)	(7,232,435)
Total Unsecured Creditors' Claims	vi	(14,640,403)	(15,180,052)
Estimated Surplus / (Deficiency)		(14,372,926)	Nil
Estimated Dividend Rate (cents in \$)		1.8 cents	Nil

i. **Debtors**

The estimated realisable value of the debtors is subject to resolution of counterclaims and offsets as a result of the inability of the Company to meet servicing requirements under the contracts as well as costs incurred by the clients in dismantling and returning the equipment once the hire period concluded.

As noted above, any surplus funds collected after payment of SBPF's debt would be available to the Company, however given the difficulties in collecting debtors due to potential counterclaims over terminated agreements and creditor offsets, we are not presently in a position to estimate what, if any, receivables may be collectible once SBPF has discharged the debt owing to it.

ii. Employee entitlements

The amount employee entitlements as at the date of our appointment are as follows:

Employees entitlements	Amount (\$)
Wages (including allowances)	182,350
Superannuation	132,796
Annual Leave	575,788
Long Service Leave	68,125
Payment in Lieu of Notice	530,554
Redundancy	193,294
Rostered Days Off	103,925
Employee Benefits	22,125
Total	\$1,808,957

Employee entitlements are afforded a statutory priority of repayment over circulating charge assets pursuant to section 556(1) of the Act.

Given that there will be insufficient funds available to meet priority claims of employees, the GEERS scheme have responded to the claims of the employees and they have advanced funds (other than superannuation) to pay 79 out of 115 employees who had outstanding entitlements as at the date of our appointment.

Entitlements met by GEERS rank as a priority in a distribution alongside superannuation and other entitlements not covered by GEERS. The remaining employees who have yet to be paid from the GEERS advance have either failed the eligibility criteria or have not lodged their claims with GEERS.

iii. Plant and equipment

As noted in in section 1 above, to date we have realised an amount of \$3,349,989 from the Company's plant and equipment.

The amount in the table above, represents the sale value of the unencumbered portion of DGV's interest in plant and equipment which is currently under contract and the estimated applicable selling agents costs and other cost of preservation. As discussed previously, the proceeds are not expected to be received until the end of December 2013.

iv. Secured Creditors' Debts

Westpac

Westpac Banking Corporation Ltd (Westpac) holds a first ranking secured charge over the assets of the Company and accordingly any surplus from the realisation of assets of the

Company from the sale of the plant and equipment is to be paid to them in reduction of their debt.

SPBF

In addition to the security afforded to SPBF in relation to the all the book debts (past, present and future debts) of the Company, SPBF also holds a second ranking secured charge over the assets of the Company in relation to any shortfall it may have in relation debts owing to it, after the collection of the book debt.

DLL / Manitowoc

DLL provided a number of hire purchase facilities to the Company's related entities, DGWA and CI. On 30 October 2012, we were notified that on 11 October 2012, DLL transferred all of its interest and rights in the equipment subject its security to Manitowoc. The amount of debt owing to DLL / Manitowoc will be reduced by the value of their security

A Deed of Priority was entered into by the above secured creditors to confirm the order of priority that each would be able to claim against.

v. Voidable Transaction and Other Recoveries

We have identified a number of voidable antecedent transactions which may be recoverable and at this stage have yet to determine if the claims are fully recoverable.

For completeness, we also note there are inherent risks and significant costs involved in pursuing such claims and therefore the risk and potential cost of recovery must be taken into consideration before a final determination is made if the claims are worthwhile pursuing.

vi. Unsecured Creditors' Debts

Accounting for formal proofs of debt received to date and the Company's records, we estimate the Company's liability to unsecured creditors at \$14,640,403 to \$15,180,052.

This figure is subject to the receipt and adjudication of final proofs of debt from creditors.

3 Return to Priority Creditors

We advise that the successful applicants to the GEERS Scheme, administrated by the Department of Education Employment and Workplace Relation ("DEEWR") have resulted in the DEEWR advancing funds totalling \$1,138,681 to the Company for payment of outstanding employee entitlements. These funds (after the applicable tax) were subsequently distributed to the relevant employees over eleven (11) payment runs from 20 December 2012 to 5 November 2013.

Payment of priority employee claims will be largely dependent on the recoverability of debtors after the discharge of SPBF's debt. From the analysis in the statement of position above, any distribution will be subject to the recovery of the identified voidable transactions as discussed in section 2 (v) above.

4 Return to Ordinary Unsecured Creditors

No distributions have been made to unsecured creditors of the Company at this stage of the liquidation. Similarly, any distribution will be subject to the recovery of the identified voidable transactions as discussed in section 2 (v) above.

In this regard, given the uncertainty if there will be dividend payable to ordinary unsecured creditors we have not called for formal proofs of debt.

5 Investigations into the Company's Affairs

We are 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.

The Company's affairs are complex and closely related to the other related entities are also in Liquidation namely, DGWA and CI. In this regard, we confirm that our investigations are progressing and we will report to the ASIC once the work has been completed. Once the report is lodged, the Regional Commissioner for the ASIC will advise us if he intends to carry out further investigations into the affairs of the Company and the conduct of its officers.

Our investigations so far into the affairs of the Company have identified a number of possible transactions to trade creditors of the Company in the amount of \$301k that may fall under the provisions of unfair preferences under Section 588FA of the Act. We confirm that we are currently collating further evidence in respect of those transactions with a view to submitting claims directly to the relevant creditor/s.

Our investigations also revealed a number of transactions that may be captured under the unfair preferences provision in respect to payments to the ATO totalling approximately \$2.73M. At the time of writing, we have delayed issuing notice to the ATO identifying our claim and the evidence supporting our request for repayment pending a response on a similar claim for the related entity DGWA.

6 Receipts and Payments

We table at **Annexure A**, a summary of the receipts and payments for the period 14 September 2012 to 24 November 2013.

7 Administrators' / Liquidators' remuneration

Set out overleaf is a summary of the Administrators' and Liquidators' remuneration (GST exclusive) for the period 10 August 2012 to 31 October 2013:

Description	Amount Incurred (\$)	Amount Approved (\$)	Amount Drawn (\$)	Less: Amount invoiced (\$)*	Balance (\$)
Administrators remuneration incurred for the period 10 August 2012 to 13 September 2012	225,685	228,488	225,685	N/A	NIL
Liquidators remuneration incurred for the period 14 September 2012 to 31 October 2013	485,055	250,000	250,000	(31,620)*	\$203,435
Total	\$710,740	\$478,488	\$475,685		\$203,970

*see comments in Annexure B: Remuneration Request Approval Report, part 7: Remuneration Recoverable from External Sources

In respect of our remuneration above, we note that we will be seeking further approval from creditors at the annual meeting for our outstanding fees and for a provision to finalisation as detailed in our remuneration report at **Annexure B**.

8 General Meeting of Members and Creditors

The annual general meeting of members and creditors is scheduled to be held at **10.30am (WST) on Tuesday, 17 December 2013 at the offices of Ferrier Hodgson, Level 26, 108 St Georges Terrace, Perth WA 6000.**

A copy of the notice of meeting is attached with a copy of the Circular to Creditors dated 2 December 2013. Creditors attending should arrive twenty (20) minutes prior to the commencement of the meeting.

9 Outstanding Matters to Finalise the Liquidation

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

- The finalisation of the sale of the remaining plant and equipment held by our agent, GraysOnline.
- Resolution of the collection of the outstanding debtors by SPBF and subsequent identification of any surplus.
- Completion of our investigations and the pursuit (and resolution) of potential antecedent transactions.
- Lodgement of the Section 533 report and conduct any further investigations as requested by the ASIC.
- Calling for proofs and adjudication of same and declaration of dividends to priority and ordinary unsecured creditors (if any).

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

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

10 Queries

Should creditors have any queries in relation to this report, or the liquidation process in general, please do not hesitate to contact either Lauren McCann or William Hulmes of this office.

DATED this 2nd day of December 2013.



Martin Jones
Joint and Several Liquidator

Glossary of terms

Abbreviation	Description
ABN	Australian Business Number
ACN	Australian Company Number
Act	The Corporations Act 2001
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CFMEU	Construction, Forestry, Mining and Energy Union
CI	Crane Investments (WA) Pty Ltd (In Liquidation) ACN 103 911 226 Formerly trading as Northern Suburbs Crane Hire
Company or DGV	D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation) ACN 136 357 054 formerly trading as D&G Verticon Hoists & Cranes
DEEWR	Australian Government Department of Employment (previously Department of Education, Employment and Workplace Relations)
DGWA	D&G Hoists & Cranes Pty Ltd (In Liquidation) ACN 084 148 096
DLL	De Lage Landen Pty Ltd
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
GEERS	General Employee Entitlement Redundancy Scheme
IPAA	Insolvency Practitioners Association of Australia
JP Nelson	JP Nelson Equipment Pte Ltd
Manitowoc	Manitowoc Crane Group Australia Pty Ltd
NSW	New South Wales
Scottish Pacific or SPBF	Scottish Pacific Business Finance Pty Ltd
SGC	Superannuation Guarantee Charge
Westpac	Westpac Banking Corporation

Annexure A

Summary of Receipt and Payments for the period 14 September 2012 to 24 November 2013

Summary of Receipts & Payments For the period 14 September 2012 to 24 November 2013	Amount (\$)	Amount (\$)
Receipts		
Transfer from Administrators		481.65
Administrators/Liquidators Fees recovered from Financiers	85,501.30	
Advance from GEERS	1,143,505.05	
Advance from GraysOnline	100,000.00	
Rental contribution	451,136.00	
Loan from JP Nelson	128,817.54	
Other assets	13,736.22	
Sale of Plant & Equipment	3,349,988.89	5,272,685.00
Payments		
Accommodation	(13,520.70)	
Advance from Liquidators - Ferrier Hodgson	(112,983.20)	
Advance payment for rental - Grays Online	(281,221.10)	
Advance payment for rental - Westpac	(207,490.50)	
Auctioneer's Advertising cost	(44,841.78)	
Auctioneer's charges	(50,985.68)	
Auctioneer's Commission	(160,830.03)	
Auctioneer's expenses (Labour)	(77,770.52)	
Child Support Withheld (Net)	(458.84)	
Employee Benefits	(9,101.79)	
Distribution of GEERS advance (net)	(978,384.05)	
GST Control	(158,030.00)	
Insurance	(81,179.36)	
Insurance - Stamp Duty	(4,707.22)	
IT Expenses	(220.00)	
Legal Fees	(19,881.37)	
Liquidators' disbursements	(14,392.58)	
Liquidators' fees	(275,000.00)	
Mail redirection fee	(750.00)	
Motor vehicle expenses	(817.34)	
OH&S expenses	(16,000.93)	
PAYG - GEERS	(153,977.00)	
PAYG - Wages	(149,426.00)	
Payroll tax	(27,583.74)	
Printing & stationery	(4,481.35)	
Rent & Rates	(574,717.25)	
Payment to secured creditor - Westpac	(1,000,000.00)	
Subcontractors	(10,411.22)	
Superannuation (net)	(44,522.14)	
Travel	(1,824.87)	
Utilities	(8,258.90)	
Voluntary Administrators' disbursements	(5,155.58)	
Voluntary Administrators' fees	(248,253.05)	
Wages and other accrued entitlements during VA (net)	(72,778.26)	(4,809,956.35)
Account balance as at 24 November 2013		463,210.30

Annexure B

Remuneration Request Approval Report

**D&G HOISTS & CRANES (AUS) PTY LTD (IN LIQUIDATION)
ACN 136 357 054 (THE COMPANY) (DGV)**

REMUNERATION REQUEST APPROVAL REPORT

Part 1: Declaration

We, Martin Jones and Andrew Saker of Ferrier Hodgson, have undertaken a proper assessment of this remuneration claimed for our appointment as Liquidators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed in the conduct of the Liquidation.

The Liquidators' Remuneration Request Approval Report, prepared pursuant to Section 449E of the Corporations Act 2001, takes the following form:

Part 2: Remuneration approved and drawn to date

To date, remuneration totalling \$478,488 has been approved and remuneration totalling \$475,685 has been paid in this Administration/Liquidation. This remuneration report details approval sought for the following fees:

Period	Amount (ex GST)
Past remuneration approved:	
10 August 2012 to 13 September 2013	\$228,488
14 September 2013 onwards	\$250,000
Total past remuneration approved	\$478,488
Current remuneration approval sought:	
<i>Resolution 1</i>	
14 September 2012 to 31 October 2013	\$203,970
<i>Resolution 2</i>	
1 November 2013 to completion of Liquidation	\$250,000
Total	\$455,100

Summary of remuneration approval sought for the Company:

Description	Amount Incurred (\$)	Amount Approved (\$)	Amount Drawn (\$)	Less: Amount invoiced (\$)*	Balance (\$)
Administrators remuneration incurred for the period 10 August 2012 to 13 September 2012	225,685	228,488	225,685	N/A	NIL
Liquidators remuneration incurred for the period 14 September 2012 to 31 October 2013	485,055	250,000	250,000	(31,620)*	\$203,435
Total	\$710,740	\$478,488	\$475,685		\$203,970

*see comment in part 7: Remuneration Recoverable from External Sources

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

Title	Rate (\$)		Experience
	2012	2013	
Partner	580	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	490	495	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	440	455	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	370	385	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	330	345	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	285	295	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	255	265	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Accountant	200	225	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	120	140	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	170	180	Appropriate skills including machine usage.
Administration Supervisor/Assistant	140	115	Completed schooling and plans to undertake further studies. Required to assist in administration and day to day field work under the supervision of more senior staff.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to change from time to time. 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.

Part 4: Description of work completed / to be completed

Company: D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation)
Administration Type: Voluntary Administration
Practitioners: Martin Jones and Andrew Saker of Ferrier Hodgson
Period: 10 August 2012 to 13 September 2012

Task Area	General Description	Includes:
Assets 159.8 hours \$52,404	Sale of business as a going concern	<ul style="list-style-type: none"> ▪ Liaising with valuers, auctioneers and interested parties. ▪ Internal meetings to discuss/review offers received. ▪ Meetings with major shareholder on reconstructions of company.
	Plant and equipment	<ul style="list-style-type: none"> ▪ Liaising with valuers, auctioneers and interested parties. ▪ Reviewing asset listings.
	Assets subject to specific charges	<ul style="list-style-type: none"> ▪ Understand locality of all HP assets. ▪ Preparing and comparing the fixed asset register with the HP assets. ▪ Meeting with various financiers.
	Debtors	<ul style="list-style-type: none"> ▪ Correspondence with debtors. ▪ Reviewing and assessing debtors ledgers. ▪ Liaising with debt collectors.
	Stock	<ul style="list-style-type: none"> ▪ Conducting stock takes. ▪ Reviewing stock values. ▪ Liaising with ROT creditors.
	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.
Creditors 102.4 hours \$28,448	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone and email. ▪ Maintaining creditor enquiry register. ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post. ▪ Correspondence with committee of creditors members.
	Retention of Title Claims	<ul style="list-style-type: none"> ▪ Receive initial notification of creditor's intention to claim. ▪ Provision of retention of title claim form to creditor. ▪ Receive completed retention of title claim form. ▪ Maintain retention of title file. ▪ Adjudicate retention of title claim.
	Secured creditor reporting	<ul style="list-style-type: none"> ▪ Preparing reports to secured creditor/financers. ▪ Responding to secured creditors queries.
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Prepare further reports to creditors pursuant to section 439A of the Act.
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend. ▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend.
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparation of 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

Task Area	General Description	Includes:
		<ul style="list-style-type: none"> meeting and draft minutes of meeting. ▪ Preparation and lodgement of minutes of meetings with ASIC. ▪ Respond to stakeholder queries and questions immediately following meeting.
Employees 21.6 hours \$6,517	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone. ▪ Maintain employee enquiry register. ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post. ▪ Preparation of letters to employees advising of their entitlements and options available. ▪ Receive and prepare correspondence in response to employees objections to leave entitlements.
	Calculation of entitlements	<ul style="list-style-type: none"> ▪ Reviewing employee files and the Company's books and records. ▪ Calculating employee entitlements. ▪ Reconciling superannuation accounts. ▪ Reviewing awards (EBAs).
	Workers compensation claims	<ul style="list-style-type: none"> ▪ Review insurance policies. ▪ Receipt of claim. ▪ Liaising with claimant. ▪ Liaising with insurers and solicitors regarding claims. ▪ Identification of potential issues requiring attention of insurance specialists. ▪ Correspondence with Blue Broking regarding initial ongoing workers compensation insurance requirements. ▪ Correspondence with previous brokers.
	Other employee issues	<ul style="list-style-type: none"> ▪ Correspondence with Child Support. ▪ Correspondence with Unions.
	Trade On Management	<ul style="list-style-type: none"> ▪ Liaising with suppliers. ▪ Liaising with management and staff. ▪ Attendance on site. ▪ Authorising purchase orders. ▪ Maintaining purchase order registry. ▪ Preparing and authorising receipt vouchers. ▪ Preparing and authorising payment vouchers. ▪ Liaising with OSR regarding payroll tax issues.
Trade On 124.3 hours \$42,228	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt 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 cashflow forecast. ▪ Meetings to discuss cashflow forecast.
	Conducting investigation	<ul style="list-style-type: none"> ▪ Collection of the Company's books and records. ▪ Correspondence with ASIC to receive assistance in obtaining books and records. ▪ Reconstruction of financial statements. ▪ Reviewing the Company's books and records and Report as to Affairs. ▪ Review and preparation of the Company's nature and history. ▪ Liaising with directors regarding certain transactions. ▪ Preparation of investigation file.
Investigations 63.3 hours \$24,093		

Task Area	General Description	Includes:
	Litigation/Recoveries	<ul style="list-style-type: none"> ▪ Internal meetings to discuss status of litigation. ▪ Preparing brief to solicitors. ▪ Liaising with solicitors regarding recovery actions. ▪ Attending to negotiations. ▪ Attending to settlement matters.
	ASIC reporting	<ul style="list-style-type: none"> ▪ Preparing statutory investigation reports. ▪ Preparing affidavits seeking non lodgements assistance. ▪ Liaising with ASIC.
	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence.
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ First month administration review. ▪ Filing documents. ▪ File reviews. ▪ Updating checklists.
	Insurance	<ul style="list-style-type: none"> ▪ Identification of potential issues requiring attention of insurance specialists. ▪ Correspondence with Blue Broking regarding initial and ongoing insurance requirements. ▪ Reviewing insurance policies. ▪ Correspondence with previous brokers.
Administration	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 .
199.9 hours	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 505, 5011 etc. ▪ Correspondence with ASIC regarding statutory forms.
\$71,828	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Notification of appointment. ▪ Preparing BAS Statements. ▪ Completing group certificates.
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status/strategy of administration.
	Books and records/storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage. ▪ Sending job files to storage.

Part 5: Calculation of Remuneration

Part 5.1: Administrators Remuneration

Employee	Position	Rate	Total		Task Area											
		(ex GST)	(Hrs)	(\$)	Assets		Creditors		Employees		Trade On		Investigation		Administration	
		(\$/Hour)			(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
M Jones	Partner	580	54.7	31,726	-	-	4.0	2,320	-	-	6.7	3,886	-	-	44.0	25,520
A Saker	Partner	580	0.4	232	-	-	-	-	-	-	0.2	116	-	-	0.2	116
S Powell	Senior Manager	440	127.6	56,146	32.9	14,308	13.3	5,852	2.2	968	10.3	4,532	39.7	17,468	29.2	12,848
K Fairhurst	Manager	370	4.4	1,628	-	-	-	-	-	-	-	-	-	-	4.4	1,628
B Walker	Manager	370	6.9	2,553	0.6	222	-	-	-	-	-	-	-	-	6.3	2,331
F Fernandez	Manager	370	4.1	1,517	-	-	-	-	-	-	-	-	-	-	4.1	1,517
B Bickford	Assistant Manager	330	0.3	99	0.2	66.0	-	-	-	-	-	-	-	-	0.1	33
K Chu	Assistant Manager	330	160.3	52,899	46.5	15,345	5.4	1,782	10.9	3,597	74.5	24,585	7.0	2,310	16.0	5,280
S Coleman	Assistant Manager	330	21.0	6,930	1.0	330	5.9	1,947	0.5	165	1.0	330	1.1	363	11.5	3,795
G Wong	Senior Analyst	285	9.0	2,565	1.5	428	-	-	-	-	-	-	-	-	7.5	2,138
A Burnett	Senior Analyst	285	4.0	1,140	-	-	-	-	-	-	-	-	-	-	4.0	1,140
L McCann	Senior Analyst	285	111.4	31,749	72.7	20,720	7.1	2,024	0.7	200	26.6	7,581	-	-	4.3	1,226
G Swan	Analyst	255	13.7	3,494	-	-	-	-	0.5	128	-	-	13.2	3,366	-	-
W Hulmes	Analyst	255	49.8	12,699	1.9	485	21.5	5,483	1.8	459	3.6	918	2.3	586	18.7	4,768
T Guthrie	Accountant	200	2.3	460	-	-	2.3	460	-	-	-	-	-	-	-	-
A Weaver	Accountant	200	14.5	2,900	-	-	8.0	1,600	1.5	300	-	-	-	-	5.0	1,000
A Siekierka	Accountant	200	9.5	1,900	-	-	-	-	-	-	-	-	-	-	9.5	1,900
J Soo	Accountant	200	63.0	12,600	2.5	500	34.9	6,980	3.5	700	1.4	280	-	-	20.7	4,140
J Titlestad	Personal Assistant	170	9.3	1,581	-	-	-	-	-	-	-	-	-	-	9.3	1,581
T Newland	Clerk	170	4.9	833	-	-	-	-	-	-	-	-	-	-	4.9	833
M Seward	Clerk	170	0.2	34	-	-	-	-	-	-	-	-	-	-	0.2	34
Total			616.6	225,685	159.8	52,404	102.4	28,448	21.6	6,517	124.3	42,228	63.3	24,093	199.9	71,828
GST						5,240		2,845		652		4,223		2,409		7,183
Total (Including GST)						57,644		31,293		7,169		46,451		26,502		79,011
Average hourly rate						328		278		302		340		381		359

Resolution 1

Company: D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation)
Administration Type: Creditors Voluntary Liquidation
Practitioners: Martin Jones and Andrew Saker of Ferrier Hodgson
Period: 14 September 2012 to 31 October 2013

Task Area	General Description	Includes:
	Plant and equipment	<ul style="list-style-type: none"> ▪ Liaising with valuers, auctioneers and interested parties. ▪ Reviewing asset listings. ▪ Negotiations with landlords regarding the storage of plant and equipment. ▪ Maintaining rental schedules. ▪ Liaising with third parties regarding the removal and transportation of assets. ▪ Negotiations with interested parties / purchasers. ▪ Re-sale of assets either not sold at initial auction, or where offers have not eventuated.
Assets	Assets subject to specific charges	<ul style="list-style-type: none"> ▪ Liaising with financiers to determine strategy. ▪ Liaising with valuers, auctioneers and agents regarding the sale of secured equipment. ▪ Reporting to financiers regarding the progress of realisation strategy. ▪ Remittance and accounting of funds returned to financiers. ▪ Review of PPSR registers. ▪ Preparing reports to secured creditor. ▪ Responding to secured creditors queries.
381.0 hours \$127,257		
	Debtors	<ul style="list-style-type: none"> ▪ Correspondence with debtors. ▪ Reviewing and assessing debtor ledgers. ▪ Liaising with Scottish Pacific Business Finance and their solicitors in relation to the book debts.
	Leasing	<ul style="list-style-type: none"> ▪ Reviewing leasing documents. ▪ Liaising with owners/lessors. ▪ Tasks associated with disclaiming leases.
	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.
	Retention of Title Claims	<ul style="list-style-type: none"> ▪ Receive initial notification of creditor's intention to claim. ▪ Provision of retention of title claim form to creditor. ▪ Receive completed retention of title claim form. ▪ Meeting claimant on site to identify goods. ▪ Adjudicate retention of title claim. ▪ Forward correspondence to claimant notifying outcome of adjudication.
Creditors	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Prepare further reports to creditors.
195.8 hours \$55,627	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend. ▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend.
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparation of meeting notices, proxies and advertisements. ▪ Forward notice of meeting to all known creditors.

Task Area	General Description	Includes:
		<ul style="list-style-type: none"> ▪ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. ▪ Preparation and lodgement of minutes of meetings with ASIC. ▪ Respond to stakeholder queries and questions immediately following meeting.
	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone. ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post. ▪ Preparation of letters to employees advising of their entitlements and options available. ▪ Receive and prepare correspondence in response to employees objections to leave entitlements.
	GEERS	<ul style="list-style-type: none"> ▪ Initial contact with GEERS including provision of quote for services. ▪ Liaising with GEERS regarding employee entitlements. ▪ Review of Employee Discrepancy Reports. ▪ Receipt and distribution of funding from GEERS.
Employees 515.8 hours \$149,218	Calculation of entitlements	<ul style="list-style-type: none"> ▪ Reviewing employee files and the Company's books and records. ▪ Calculating employee entitlements. ▪ Reconciling superannuation accounts. ▪ Reviewing awards.
	Workers compensation claims	<ul style="list-style-type: none"> ▪ Review insurance policies. ▪ Receipt of claim. ▪ Liaising with claimant. ▪ Liaising with insurers and solicitors regarding claims ▪ Identification of potential issues requiring attention of insurance specialists. ▪ Correspondence with Blue Broking regarding initial ongoing workers compensation insurance requirements. ▪ Correspondence with previous brokers.
	Other employee issues	<ul style="list-style-type: none"> ▪ Correspondence with Child Support. ▪ Correspondence with Centrelink and Unions. ▪ Preparation of PAYG and ETP Statements.
	Trade On Management	<ul style="list-style-type: none"> ▪ Liaising with suppliers . ▪ Liaising with management and staff. ▪ Attendance on site. ▪ Authorising purchase orders. ▪ Maintaining purchase order registry. ▪ Preparing and authorising receipt vouchers. ▪ Preparing and authorising payment vouchers. ▪ Liaising with superannuation funds regarding contributions, termination of employees employment. ▪ Liaising with OSR regarding payroll tax issues.
Trade On 62.7 hours \$20,285	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system.
Investigations 65.4 hours \$21,193	Conducting investigation	<ul style="list-style-type: none"> ▪ Collection of the Company's books and records. ▪ Reconstruction of financial statements. ▪ Reviewing the Company's books and records and Report as to Affairs.

Task Area	General Description	Includes:
Administration 434.5 hours \$111,475	ASIC reporting	<ul style="list-style-type: none"> ▪ Review and preparation of the Company's nature and history. ▪ Liaising with directors regarding certain transactions. ▪ Preparation of investigation file.
	Correspondence	<ul style="list-style-type: none"> ▪ Preparing statutory investigation reports. ▪ Liaising with ASIC.
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ General correspondence. ▪ Six (6) month administration review. ▪ Filing documents. ▪ File reviews. ▪ Updating checklists.
	Insurance	<ul style="list-style-type: none"> ▪ Identification of potential issues requiring attention of insurance specialists. ▪ Correspondence with Blue Broking regarding ongoing insurance requirements. ▪ Reviewing insurance policies.
	Bank account administration	<ul style="list-style-type: none"> ▪ Preparing correspondence opening and closing accounts. ▪ Requesting bank statements. ▪ Bank account reconciliations. ▪ Correspondence with bank regarding specific transfers.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 505, 524, 5011 etc. ▪ Correspondence with ASIC regarding statutory forms.
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Notification of appointment. ▪ Preparing BAS Statements. ▪ Completing group certificates.
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status/strategy of administration.
	Books and records/storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage. ▪ Sending job files to storage.

Part 5.2: Resolution 1

Employee	Position	Rate (ex GST) (\$/Hour)	Total		Task Area												
			(Hrs)	(\$)	Assets		Creditors		Employees		Trade On		Investigation		Administration		
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	
M Jones	Partner	595	0.4	238	-	-	-	-	-	-	-	-	-	-	-	0.4	238
		580	36.8	21,344	-	-	1.7	986	-	-	-	-	-	-	-	35.1	20,358
M Field	Director	495	1.6	792	0.6	297	0.8	396	-	-	0.2	99	-	-	-	-	-
		490	0.4	196	-	-	-	-	-	-	0.4	196	-	-	-	-	-
S Powell	Director	495	1.4	692	0.3	148	-	-	-	-	-	-	-	-	-	1.1	544
	Senior Manager	440	55.5	24,417	26.2	11,525	1.3	572	0.8	352	8.7	3,828	5.0	2,200	13.5	5,940	
S Pitt	Director	490	0.3	147	-	-	-	-	-	-	-	-	-	-	0.3	147	
B Walker	Manager	370	2.5	925	-	-	-	-	-	-	-	-	-	-	2.5	925	
K Chu	Manager	385	45.1	17,363	24.2	9,317	9.3	3,580	5.6	2,156	2.3	886	1.6	616	2.1	808	
		370	199.9	73,963	112.7	41,699	20.8	7,696	32.6	12,062	10.2	3,774	2.8	1,036	20.8	7,696	
L Smith	Assistant Manager	330	176.0	58,080	120.2	39,666	19.7	6,501	19.2	6,336	3.1	1,023	4.9	1,617	8.9	2,937	
	Manager	385	1.8	693	0.2	77	-	-	-	-	-	-	1.4	539	0.2	77	
G Smith	Assistant Manager	330	13.9	4,587	-	-	-	-	-	-	-	-	11.9	3,927	2.0	660	
		330	18.3	6,039	6.1	2,013	3.9	1,287	1.3	429	-	-	6.3	2,079	0.7	231	
B Bickford	Assistant Manager	345	0.6	207	-	-	-	-	-	-	-	-	-	-	0.6	207	
		330	14.2	4,686	-	-	-	-	-	-	-	-	8.6	2,838	5.6	1,848	
L McCann	Assistant Manager	345	54.1	18,665	5.5	1,898	25.7	8,866	7.2	2,484	9.1	3,140	5.8	2,001	0.8	276	
		330	99.5	32,835	3.2	1,056	0.6	198	88.7	29,271	0.5	165	-	-	6.5	2,145	
M Stephens	Assistant Manager	285	174.8	49,818	17.4	4,959	2.8	798	151.1	43,064	-	-	-	-	3.5	997	
		345	0.1	34	-	-	-	-	-	-	-	-	-	-	0.1	34	
Y Liew	Assistant Manager	330	0.5	165	-	-	0.5	165	-	-	-	-	-	-	-	-	
S Coleman	Assistant Manager	345	0.5	172	-	-	0.5	172	-	-	-	-	-	-	-	-	
A Burnett	Senior Analyst	330	0.5	165	0.5	165	-	-	-	-	-	-	-	-	-	-	
W Hulmes	Analyst	285	3.7	1,054	-	-	-	-	-	-	-	-	-	-	3.7	1,054	
		265	133.0	35,245	13.8	3,657	12.0	3,180	103.5	27,428	-	-	-	-	3.7	980	
A Weaver	Analyst	255	182.2	46,460	9.8	2,499	25.1	6,400	75.2	19,176	27.9	7,114	-	-	44.2	11,271	
		265	1.5	398	-	-	-	-	1.5	398	-	-	-	-	-	-	
L Telles	Accountant	200	2.3	460	-	-	-	-	0.8	160	-	-	-	-	1.5	300	
L Telles	Analyst	255	1.2	306	-	-	-	-	-	-	-	-	-	-	1.2	306	
J El Badoui	Analyst	255	8.2	2,091	-	-	-	-	-	-	-	-	-	-	8.2	2,091	

Employee	Position	Rate	Total		Task Area											
		(ex GST)			Assets		Creditors		Employees		Trade On		Investigation		Administration	
		(\$/Hour)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
K Quigley	Analyst	265	15.5	4,108	-	-	-	-	1.5	398	-	-	14.0	3,710	-	-
T Guthrie	Accountant	200	0.6	120	-	-	0.6	120	-	-	-	-	-	-	-	-
C Ronaldson	Accountant	200	8.5	1,700	-	-	-	-	-	-	-	-	-	-	8.5	1,700
T Frazer	Accountant	200	2.0	400	-	-	-	-	-	-	-	-	-	-	2.0	400
J Soo	Accountant	225	66.1	14,872	8.9	2,002	24.4	5,490	5.3	1,192	-	-	0.4	90	27.1	6,098
		200	192.9	38,580	23.6	4,720	45.8	9,160	20.4	4,080	0.3	60	2.7	540	100.1	20,020
S Foley	Accountant	225	0.2	45	-	-	-	-	-	-	-	-	-	-	0.2	45
		200	15.1	3,020	7.8	1,560	-	-	0.6	120	-	-	-	-	6.7	1,340
P Doyle	Accountant	200	7.8	1,560	-	-	0.3	60	-	-	-	-	-	-	7.5	1,500
N Shah	Accountant	225	8.3	1,867	-	-	-	-	0.5	112	-	-	-	-	7.8	1,755
		200	8.7	1,740	-	-	-	-	-	-	-	-	-	-	8.7	1,740
D Dalziel	Personal Assistant	170	6.0	1,020	-	-	-	-	-	-	-	-	-	-	6.0	1,020
G Caldera	Personal Assistant	170	1.2	204	-	-	-	-	-	-	-	-	-	-	1.2	204
J Titlestad	Personal Assistant	180	0.5	90	-	-	-	-	-	-	-	-	-	-	.5	90
		170	19.7	3,349	-	-	-	-	-	-	-	-	-	-	19.7	3,349
J Nelson	Personal Assistant	170	8.3	1,411	-	-	-	-	-	-	-	-	-	-	8.3	1,411
M Kroon	Personal Assistant	180	0.4	72	-	-	-	-	-	-	-	-	-	-	0.4	72
		170	0.2	34	-	-	-	-	-	-	-	-	-	-	0.2	34
A Jamieson	Accounts Assistant	180	0.3	54	-	-	-	-	-	-	-	-	-	-	0.3	54
		170	1.5	255	-	-	-	-	-	-	-	-	-	-	1.5	255
T Newland	Clerk	170	8.3	1,411	-	-	-	-	-	-	-	-	-	-	8.3	1,411
		115	1.1	127	-	-	-	-	-	-	-	-	-	-	1.1	127
M Seward	Clerk	170	12.8	2,176	-	-	-	-	-	-	-	-	-	-	12.8	2,176
		115	0.9	104	-	-	-	-	-	-	-	-	-	-	0.9	104
A Findlay	Junior Accountant	120	14.7	1,764	-	-	-	-	-	-	-	-	-	-	14.7	1,764
M Tuck	Junior Accountant	120	22.8	2,736	-	-	-	-	-	-	-	-	-	-	22.8	2,736
Total			1,659.2	485,055	381.0	127,257	195.8	55,627	515.8	149,218	62.7	20,285	65.4	21,193	434.5	11,475
GST				48,506		12,726		5,563		14,922		2,029		2,119		11,201
Total (Including GST)				533,561		139,983		61,190		164,140		22,314		23,312		123,211
Average hourly rate				293		334		284		289		324		324		255

Resolution 2

Company: D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation)

Administration Type: Creditors Voluntary Liquidation

Practitioners: Martin Jones and Andrew Saker of Ferrier Hodgson

Task Area	General Description	Includes:
Assets 40.4 hours \$13,343	Assets subject to specific charges	<ul style="list-style-type: none"> ▪ Liaising with valuers, auctioneers and agents regarding the sale of remaining equipment. ▪ Reporting to financiers regarding the progress of realisation strategy. ▪ Remittance and accounting of funds returned to financiers.
	Debtors	<ul style="list-style-type: none"> ▪ Correspondence with debtors. ▪ Reviewing and assessing debtors ledgers.
	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.
	Secured creditor reporting	<ul style="list-style-type: none"> ▪ Preparing reports to secured creditor. ▪ Responding to secured creditors queries.
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparation of annual report to creditors. ▪ Prepare further reports to creditors.
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend. ▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend.
	Processing proofs of debt	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting lodgement of proofs of debt. • Receipt of proofs of debt. • Maintain proof of debt register. • Adjudicating proofs of debt. • Request further information from claimants regarding proofs of debt. • Preparation of correspondence to claimant advising outcome of adjudication.
Creditors 230.4 hours \$71,887	Dividend procedures	<ul style="list-style-type: none"> • Preparation of correspondence to creditors advising of intention to declare dividend. • Advertisement of intention to declare dividend. • Obtain clearance from ATO to allow distribution of Company's assets. • Preparation of dividend calculations. • Preparation of correspondence to creditors announcing declaration of dividend. • Advertise announcement of dividend. • Preparation of distribution. • Preparation of dividend file. • Preparation of payment vouchers to pay dividend. • Preparation of correspondence to creditors enclosing payment of dividend.
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparation of 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.

Task Area	General Description	Includes:
Employees 59.3 hours \$18,866	Employee enquiries	<ul style="list-style-type: none"> Preparation and lodgement of minutes of meetings with ASIC. Respond to stakeholder queries and questions immediately following meeting.
	GEERS	<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. Preparation of letters to employees advising of their entitlements and options available. Receive and prepare correspondence in response to employees' objections to leave entitlements.
	Calculation of entitlements	<ul style="list-style-type: none"> Initial contact with GEERS including provision of quote for services. Liaising with GEERS regarding employee entitlements. Review of Employee Discrepancy Reports. Receipt and distribution of funding from GEERS.
	Other employee issues	<ul style="list-style-type: none"> Reviewing employee files and the Company's books and records. Calculating employee entitlements. Reconciling superannuation accounts. Reviewing awards.
	Conducting investigation	<ul style="list-style-type: none"> Correspondence with Child Support. Correspondence with Centrelink and Unions.
Investigations 265.4 hours \$83,077	Recoveries	<ul style="list-style-type: none"> Reconstruction of financial statements. Reviewing the Company's books and records and Report as to Affairs. Review and preparation of the Company's nature and history. Preparation of investigation file.
	ASIC reporting	<ul style="list-style-type: none"> Review of Company records to identify and quantify antecedent transactions Prepare correspondence to creditors to identify recoverability Internal meetings to discuss status of recoveries. Preparing brief to solicitors. Liaising with solicitors regarding recovery actions. Attending to negotiations. Attending to settlement matters.
	Correspondence	<ul style="list-style-type: none"> Preparing statutory investigation reports. Liaising with ASIC.
Administration 194.6 hours \$62,827	Document maintenance/file review/checklist	<ul style="list-style-type: none"> General correspondence. Six (6) month administration review. Filing documents. File reviews. Updating checklists.
	Insurance	<ul style="list-style-type: none"> Identification of potential issues requiring attention of insurance specialists. Correspondence with Blue Broking regarding ongoing insurance requirements. Reviewing insurance policies.
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts. Requesting bank statements. Bank account reconciliations.

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

Part 5.3: Resolution 2

Employee	Position	Rate (ex GST) (\$/Hour)	Total		Task Area									
			(Hrs)	(\$)	Assets		Creditors		Employees		Investigation		Administration	
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
M Jones	Partner	595	41.7	24,793	-	-	8.3	4,959	-	-	-	-	33.3	19,834
K Chu	Manager	385	200.0	77,000	22.0	8,470	48.0	18,480	14.0	5,390	88.0	33,880	28.0	10,780
L MCCann	Assistant Manager	345	168.3	58,075	-	-	62.3	21,488	18.5	6,388	60.6	20,907	26.9	9,292
W Hulmes	Analyst	265	167.2	44,300	18.4	4,873	45.1	11,961	26.7	7,088	50.2	13,290	26.7	7,088
J Soo	Accountant	225	166.7	37,500	-	-	66.7	15,000	-	-	66.7	15,000	33.3	7,500
Jacqui Titlestad	Personal Assistant	180	46.3	8,333	-	-	-	-	-	-	-	-	46.3	8,333
Total Hours			790.1	250,000	40.4	13,343	230.4	71,887	59.3	18,866	265.4	83,077	194.6	62,827
GST				25,000		1,334		7,189		1,887		8,308		6,283
Total (Including GST)				275,000		14,677		79,076		20,753		91,385		69,109
Average hourly rate				316		330		312		318		313		323

Part 6: Statement of Remuneration Claim

Resolutions to be put to Creditors at the meeting convened for 17 December 2013.

At the meeting of Creditors convened for 17 December 2013, creditors will be asked to consider the following resolutions:

Resolution 1:

"That the remuneration of the Liquidators, as set out in the Remuneration Request Approval Report dated 29 November 2013, for the period from 14 September 2013 to 31 October 2013 be fixed in the amount of \$203,435.41, plus any applicable GST, and may be paid."

Resolution 2:

"That the further remuneration of the Liquidators, as set out in the Remuneration Request Approval Report dated 29 November 2013, for the period from 1 November 2013 to completion of the Liquidation, be fixed up to a maximum amount of \$250,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Please note that the above is an estimate only. The ultimate costs of the Liquidation will be dependent on the depth of investigations and level of actions brought against various parties (and their ultimate defence) in regards to the voidable antecedent transactions. If costs exceed the estimate, creditors will be advised accordingly and further approval of the Liquidators remuneration will be sought in the future.

Part 7: Remuneration Recoverable from External Sources

Remuneration payments received in relation to the Fair Entitlements Guarantee Act 2012 or its predecessor schemes (i.e. GEERS) are considered a separate arrangement involving a limited or partial funding agreement.

We have invoiced the Department of Employment and Workplace Relations a total of \$31,620.00 (excluding GST) in respect of work done administering employee entitlements under GEERS, in particular the work involved in calculating employee entitlements and disbursing the funds advanced by GEERS to the former employees of the Company. The amount invoiced to DEEWR is calculated on the number of employees reviewed at an agreed fixed rate and prior creditor approval is not required.

Part 8: Disbursements

Disbursements are divided into three types: **A, B1, B2.**

- A** disbursements are all externally provided professional services. These are recovered at cost. An example of an “A” disbursement is legal fees.
- B1** disbursements are externally provided non-professional costs such as travel, accommodation and search fees. “B1” disbursements are recovered at cost.
- B2** disbursements are internally provided non-professional costs such as photocopying, printing and postage. “B2” 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	\$0.67 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

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.

Disbursements incurred to date are shown in the summary of receipts and payments. 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.

The following disbursements have been paid by the Administration to Ferrier Hodgson for the period from 10 August 2012 to 24 November 2013. Where amounts have been paid to Ferrier Hodgson for externally provided services and costs, that is in reimbursement of a cost 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 to Ferrier Hodgson by the supplier.

All of the below transactions appear in the receipts and payments listing attached to this report as Appointee disbursements. Where payments to third parties are paid directly from the Administration bank account, they are only included in the attached listing of receipts and payments.

Disbursements paid from 10 August 2012 to 24 November 2013

Disbursement	Classification	Total (\$) (Excluding GST)
Disbursements paid from the Voluntary Administration period:		
10 August 2012 to 13 September 2012		
Computer Hard Drive	B1	501.82
Courier	B1	60.73
Facsimile Charges	B2	18.00
Meals	B1	48.42
Mileage Reimbursement (GST Free)	B1	257.28
Miscellaneous Travel Costs	B1	127.06
Photocopy Charges	B2	1,364.80
Postage Charges	B2	790.97
Printing	B2	2,538.70
Search Fees	B1	363.30
Stationery	B2	235.13
Taxi Fares	B1	36.96
Telephone Calls	B2	105.84
Total		\$6,449.01
Disbursements paid from the Liquidation period:		
14 September 2012 to 31 October 2013		
ASIC Fees (GST Free)	B1	400.00
Courier	B1	157.11
Meals (GST Free)	B1	15.60
Taxi Fares (GST Free)	B1	15.34
Hire Of Meeting Room	B1	1,038.34
Meals	B1	58.00
Mileage Reimbursement (GST Free)	B1	84.42
Miscellaneous Travel Costs	B1	1,724.75
Photocopy Charges	B2	39.60
Postage Charges	B2	318.94
Printing	B2	2,239.20
Stationery	B2	34.65
Storage and Storage Transit	B1	4,501.74
Taxi Fares	B1	230.46
Telephone Calls	B2	534.14
Total		\$11,392.29
Total Disbursements Paid		\$17,841.30

Part 9: Report on Progress of the Administration

A report on the progress of the administration has been included in the Liquidators' Annual Report to Creditors pursuant to section 508 of the Act.

Part 10: Summary of Receipts and Payments

A summary of receipts and payments from the commencement of the Liquidation (i.e. 14 September 2012) to 24 November 2013 is included in the accompanying Liquidators' Annual Report to Creditors pursuant to section 508 of the Act.

Part 11: Queries

If you require further information in respect of the above, or have other queries, please contact William Hulmes or Lauren McCann of this office on 08 9214 1444.

Part 12: Information Sheet

The partners of Ferrier Hodgson are, generally, members of the Insolvency Practitioners Association of Australia (IPA). Ferrier Hodgson follows the IPA Code of Professional Practice. A copy of the Code of Professional Practice may be found on the IPA website at www.ipaa.com.au.

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

Dated this 2nd day of December 2013.



Martin Jones
Joint and Several Liquidator